

[SAMPLE SENIOR FACILITIES COMMITMENT LETTER]

[Letterhead of]
ABC BANK

Month __, 2000

Project Target
Senior Secured Credit Facilities
Commitment Letter

Buyright Company
3000 Avenue of the Titans
New York, New York 00000

Attention of John Doe, Chief Financial Officer

Ladies and Gentlemen:

You have advised ABC Bank ("ABC") and ABC Securities Inc. ("ABC Securities") that (a) Buyright Company (the "Buyer") will form a Delaware corporation ("Holdings") as a wholly owned subsidiary of the Buyer, (b) the Buyer will form an additional Delaware corporation ("Merger Sub") as a wholly owned subsidiary of Holdings and (c) Merger Sub will acquire (the "Acquisition") from Worldwide Corporation, a Delaware corporation ("Worldwide"), all the outstanding capital stock of Widget Corporation, a Delaware corporation (the "Target") and a wholly owned subsidiary of Worldwide, pursuant to a stock purchase agreement to be entered into by the Buyer, Merger Sub and Worldwide, for aggregate consideration of \$400,000,000 in cash. Following the Acquisition, the Target will merge with and into Merger Sub, with the Target surviving (the "Merger"). Merger Sub is the "Borrower" prior to the Merger; following the Merger, the Target (as survivor in the Merger) will become the "Borrower" (as applicable, the "Borrower"). The Acquisition will be consummated as set forth on ANNEX I to the Term Sheet (as defined).¹

¹Although these sample papers have been drafted for a transaction consisting of a consensual purchase of shares of a private company, certain modifications of boilerplate have been noted that are appropriate for an unsolicited tender offer for a public company.

Financing Summary

Prior to the Acquisition, the Borrower will (a) receive net cash proceeds of \$50,000,000 from issuance of its equity securities or receipt of additional capital contributions, (the "Equity Contribution"), (b) either (i) issue \$200,000,000 in aggregate principal amount of its senior subordinated unsecured notes (the "Senior Subordinated Notes") in a public offering or in a Rule 144A or other private placement, or (ii) in the event that the Borrower is unable to issue the Senior Subordinated Notes on or prior to the closing date, borrow \$200,000,000 of senior subordinated unsecured loans from one or more lenders under a new senior subordinated credit facility (the "Bridge Facility"),² and (c) obtain the senior secured credit facilities (the "Senior Facilities") described in the Summary of Principal Terms and Conditions attached to this letter as EXHIBIT A (the "Term Sheet") in an aggregate principal amount of \$250,000,000. The approximate sources and uses of funds necessary to consummate the Acquisition and repay certain indebtedness are set forth on ANNEX II to the Term Sheet. The Acquisition, the foregoing financing transactions and repayment of indebtedness are collectively referred to in this letter as the "Transactions".

You have requested that ABC Securities agree to structure, arrange and syndicate the Senior Facilities, and that ABC commit to provide the entire amount of the Senior Facilities.

Arrangement/Financing Commitment

ABC Securities agrees to structure, arrange and syndicate the Senior Facilities. ABC commits to provide the entire amount of the Senior Facilities subject to the conditions set forth in this letter. [The amount of ABC's commitments under this letter in respect of the Senior Facilities will be reduced by the amount of commitments in respect of the Senior Facilities accepted by ABC from other financial institutions [at the managing agent level].]³

²NB: The papers have been drafted for funding to occur either under Senior Subordinated Notes or a Bridge Facility but not for a partial utilization of both. In the usual case, it would be difficult to sell Senior Subordinated Notes with a disclosure document that described the use of Bridge Notes because Bridge Notes typically have difficult economic terms and the failure to refinance them often causes the Borrower economic hardship. The papers must be modified to provide for use of both if that is desired.

³This language may be deleted to strengthen the commitment by ABC. Deletion may be important if there is no "financing out" in the acquisition agreements. It is, however, quite common for the commitment of ABC to be reduced by commitments accepted from other Lenders (particularly in large commitments). Such a reduction may

Agents/Titles/Roles

ABC will act as the administrative agent and collateral agent, and ABC Securities will act as the advisor and arranger, for the Senior Facilities, and each will perform the duties and exercise the authority customarily performed and exercised by it in such roles. No other agents, co-agents or arrangers will be appointed, no other titles will be awarded and no compensation (other than as specified in the Term Sheet and the Fee Letter referred to below) will be paid in connection with the Senior Facilities unless you and we shall so agree. [ABC and ABC Securities agree to offer league table titles to financial institutions with which you have a prior or existing lending relationship that you have identified to ABC and ABC Securities in exchange for receipt of significant commitments from such financial institutions to provide a portion of the Senior Facilities].⁴

Syndication

ABC Securities will syndicate the Senior Facilities to a group of financial institutions (together with ABC, the "Lenders") identified by us in consultation with you.⁵ ABC Securities will commence syndication efforts promptly after your execution of this letter, and you agree actively to assist ABC Securities in completing a mutually satisfactory syndication. Such assistance shall include (a) your using commercially reasonable efforts to ensure that the syndication efforts benefit materially from your existing lending relationships, (b) direct contact between senior management and advisors of the Buyer [, the Target]⁶ and the proposed Lenders, (c) your assistance in our preparation of a Confidential Information Memorandum and other marketing materials to be used in connection with the syndication [(which we agree to prepare as soon as reasonably practicable)] and (d) your hosting, with ABC Securities, of one or more meetings of prospective Lenders. [ABC Securities requires a minimum of ___ days after

be more agreeable to the Buyer if the Buyer has a consent right over the acceptance of commitments or the identity of institutions contacted. Limiting commitment reductions to managing agents is a compromise, but still unusual.

⁴NB: If the Buyer wants to provide benefits to other lenders in this financing, it should discuss what roles will be available at the commitment letter stage.

⁵If the Buyer desires a consent right over new lenders, "in consultation with you" should be replaced with "and approved by you (your approval not to be unreasonably withheld)". A consent right might be desired if the commitment of ABC is reduced by lenders to whom the Senior Facilities are syndicated.

⁶Reference to the Target would not be included in financing for an unsolicited bid.

completion of the Confidential Information Memorandum to complete syndication of the Senior Facilities.] ⁷

ABC Securities will manage all aspects of the syndication [(subject to our agreements in the prior two paragraphs)], including decisions as to the selection of institutions to be approached and when they will be approached, when their commitments will be accepted, which institutions will participate, the allocations of the commitments among the Lenders and the amount and distribution of fees among the Lenders. ABC Securities agrees to contact the potential Lenders previously identified by you to participate in the Senior Facilities at the levels and with the roles and titles that we have discussed. To assist ABC Securities in its syndication efforts, you agree promptly to provide to ABC Securities and ABC all information reasonably available to you with respect to the Target, the Borrower, the Buyer and the Transactions, including all financial information and projections prepared by you to evaluate the Acquisition (the "Projections"), as we may reasonably request in connection with the arrangement and syndication of the Senior Facilities.

Information/Projections

You represent that all information other than the Projections (the "Information") that has been or will be made available to ABC or ABC Securities by you or the Borrower or any of your or their representatives (considered as a whole with other Information and in combination with public filings of the Buyer, the Target and their respective affiliates), (i) is or will be, when furnished, complete and correct in all material respects [and (ii) does not or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made]⁸. You agree to supplement the Information from time to time until the closing of the Senior Facilities so that the representation in the

⁷Consider whether a minimum marketing period should be a condition precedent to the commitment. If it is, then the bracketed language providing both for prompt preparation of the bank book and the marketing period itself may be included, together with the "Marketing Period" condition precedent. See infra "Conditions Precedent".

⁸NB: The Buyer should note that it makes a 10b-5 type representation here. However, the Information provided is not subject to the same standards of review and preparation as those governing the preparation of a prospectus for a public offering or private placement. Nevertheless, almost all Lenders will require some form of 10b-5 representation to be made. The sample language has been qualified to consider all Information taken as a whole, together with any available public filings, in order to partially compensate for the differences between the bank syndication and public offering processes.

preceding sentence remains correct. You understand that in arranging and syndicating the Senior Facilities we may use and rely on the Information without independent verification.

You represent that the Projections that have been or will be made available to ABC or ABC Securities by you or the Borrower or any of your or their representatives have been or will be prepared in good faith based upon assumptions believed to be reasonable in light of the circumstances existing at the time such Projections were or are prepared. We understand that estimates, Projections or statements as to anticipated future performance or conditions and the assumptions on which they are based may or may not prove to be correct. If at any time you believe the assumptions on which the Projections are based cease to be reasonable, you agree promptly to notify ABC and ABC Securities and, upon our request, you agree to prepare revised Projections as soon as practicable thereafter.

Market-Flex

ABC and ABC Securities may, after consultation with you, change the interest rate margins [and the up front fee], [and financial covenants (so long as ratios proposed for such financial covenants are consistent with the financial model prepared by the Borrower)]⁹ and change allocations among tranches (so long as the annual amortization is not affected by more than 10% in any one calendar year in respect of the Senior Facilities), if ABC and ABC Securities determine that such changes are advisable to insure a successful syndication of the Senior Facilities,¹⁰ provided that (a) the aggregate total amount of the Senior Facilities shall remain unchanged, (b) the revolving credit portion of the Senior Facilities will not be reduced to less than \$40,000,000, (c) the amount of the fees [(other than the up front fee)] described in the Fee Letter will not be increased, (d) the interest rate spreads on each tranche of the Senior Facilities [appearing initially and in the grid pricing] will not increase by more than __ basis points and (e) in the event ABC or ABC Securities exercises its rights under this paragraph in the absence of a material adverse change in the bank syndication market from that existing on the date hereof, the structuring fee shall be reduced from \$ _____ to \$ _____. ABC and ABC Securities agree to use their best efforts to complete the syndication of the

⁹Whether it would be appropriate to use this flex language to add additional financial covenants depends on the financial covenant package offered in the initial term sheet.

¹⁰NB: The market flex, as drafted here, may be exercised even if no adverse change occurs in the syndication markets. Accordingly, there is no protection against, or penalty for, mispricing the transaction unless a clause such as (e) below is included. If the base structuring fee were low, the formulation could be reversed to give an increase a fee payment if market flex is not exercised.

Senior Facilities within ___ weeks after the date hereof, so that ABC and ABC Securities can advise the Borrower of any changes that may be made under this paragraph within that period of time. [Changes to the terms and conditions of the Senior Facilities must, in any event, be made prior to [execution and delivery of the credit documentation for] [the closing of] the Senior Facilities.] It is understood that downward adjustments to the pricing of the Senior Facilities will be available to the extent ABC and ABC Securities determine that the Senior Facilities may be successfully syndicated notwithstanding such adjustments, and ABC and ABC Securities agree to make such determination upon your request. ABC's commitment is subject to the agreements in this paragraph.¹¹

[NB: Traditional bank first draft market flex reads as follows: ABC and ABC Securities shall be entitled, in consultation with you, to change the pricing, terms and structure of the Senior Facilities if the syndication has not been completed and if ABC and ABC Securities determine that such changes are advisable to ensure a successful syndication of the Senior Facilities; provided that the total amount of the commitments under the Senior Facilities remains unchanged.]

Fees

As consideration for ABC's commitment and ABC Securities' agreement to perform the services described in this letter, you agree to pay or to cause the Borrower to pay to ABC the fees set forth in the Term Sheet and in the Fee Letter dated the date hereof and delivered herewith (the "Fee Letter"), at the times and to the extent required by the Fee Letter.

Conditions Precedent

ABC's commitment and ABC Securities' agreement to perform the services described in this letter are subject to:

¹¹Market-flex appears in most commitment letters, particularly for large committed amounts. The market flex provisions may be included in the Fee Letter in lieu of appearing in the commitment letter. It would be unusual to include all of the detail in this borrower favorable paragraph. Some provisions, such as the fee reduction, are unusual in the current market and lenders will strenuously object. Nevertheless, the industry press contains a number of stories about lenders winning financing assignments with low bids only later to increase the very pricing that formed the basis for the award of the mandate in the first place. Although it appears evenhanded, often lenders also object to downward flex.

Material Adverse Change:

(a) there not having occurred and continued to the date of closing any [event or condition which is, or could reasonably be expected to result in, a]¹² material adverse change in the business, operations, property or financial condition of the Target and its subsidiaries, taken as a whole, since _____, 2000,¹³ [or the Buyer/Borrower and its subsidiaries, taken as a whole, since _____, 2000]¹⁴,

Due Diligence:

(b) our completion of, and reasonable satisfaction with, a limited confirmatory due diligence investigation of [the Buyer,] the Target and the Borrower (it being understood that we have completed substantial due diligence to date and we are satisfied in all respects with that due diligence [and we will complete our due

¹²Often lenders desire some protection that is forward looking. Forward looking protection is sometimes provided by including the word "prospects" in the list of material adverse changes. The bracketed language is our preferred formulation, if forward looking protection is acceptable as a commercial matter. In any event, forward looking protection weakens the commitment.

¹³Usually the material adverse change is measured from the date of the most recent audited financial statements, but a more recent date may be appropriate if adverse developments have occurred since that time. If the acquisition agreements have a MAC relating to the Target and there is no "financing out" in the acquisition agreements, the MAC clause in the commitment letter should mirror the MAC clause of the acquisition agreements. Ideally, in an acquisition without a "financing out", the MAC would not be repeated in this letter but instead the Lenders would rely on the requirement that the transaction be consummated on the terms and conditions of the acquisition agreements without material amendment, consent, modification or waiver adverse to the Lenders. The Agent would approve the initial acquisition agreements at the time the Commitment Letter is signed. Any potential Lenders would be able to review these documents prior to committing. Either the Agent, the Required Lenders or all Lenders may be given the right to consent to amendments, consents, modifications and waivers to the acquisition agreements that materially affect the Lenders. The extent of consent rights and who exercises them should be specifically agreed. A consent right given to all Lenders will be difficult to administer at a closing.

¹⁴A material adverse change condition may be applied to the Buyer or the Borrower and its subsidiaries if the Buyer or the Borrower is a real corporate credit that supports the Senior Facilities (i.e. and the acquisition is not made by an LBO firm on a stand alone or shell credit basis). If the Buyer and/or its subsidiaries will guarantee the Senior Facilities, then the reference is likely appropriate.

diligence review within __ weeks after your acceptance of this letter and advise you in writing not later than the expiration of such time period if our review is not satisfactory],¹⁵

Market Out:

(c) there not having occurred after the date of this letter and continued to the date of closing a material adverse change in the bank loan syndication and related capital markets that materially impairs syndication of the Senior Facilities (it being understood that ABC Securities believes that the Senior Facilities as described in the Term Sheet can be successfully syndicated in current market conditions),

Clear Market:

(d) prior to and during syndication of the Senior Facilities there shall be no competing offering, placement or arrangement of any debt securities or bank financing by or on behalf of [the Buyer,] the Borrower [or the Target]¹⁶ or any subsidiary thereof (other than the Subordinated Notes or the Bridge Facility, as applicable) to the extent such offering, placement, arrangement or financing would materially impair the syndication of the Senior Facilities¹⁷ [and]

Term Sheet Conditions:

(e) material satisfaction of other conditions set forth in the Term Sheet [and

¹⁵ABC should be encouraged to complete its due diligence prior to the execution of the commitment letter, and if completed, this clause should be deleted altogether. If the transaction includes an unsolicited tender offer, it should be made clear that diligence with respect to the Target is limited to public filings. A recital might be included to the effect that all public filings to date have been reviewed and are satisfactory. Diligence on the Buyer is appropriate only if the Buyer will provide credit support for the Senior Facilities. Even if the Buyer will provide credit support, diligence with respect to the Buyer may be unnecessary if ABC is already familiar with Buyer (e.g., ABC may be the agent on Buyer's existing credit facility).

¹⁶Omit in the event the transaction is an unsolicited bid for the Target.

¹⁷Buyer should specifically carve out any commercial paper programs, MTN programs and previously scheduled financings for the Buyer, the Borrower and, if applicable, the Target. If the Buyer is not providing credit support for the transaction, reference to the Buyer should be deleted. In an unsolicited bid, the Buyer has no control over the Target and, accordingly, reference to the Target should be deleted.

Marketing Period:

(f) ABC Securities shall have had not less than ___ days to complete syndication of the Senior Facilities after completion of the Confidential Information Memorandum]¹⁸.

Customary terms and conditions of the Senior Facilities not covered by the Term Sheet are subject to the approval and agreement of ABC, ABC Securities and the Borrower.

Expense Reimbursement

You agree to reimburse ABC, ABC Securities and their affiliates on demand for all reasonable out-of-pocket expenses (including due diligence expenses, syndication expenses, consultant's fees and expenses and reasonable fees, charges and disbursements of counsel) incurred in connection with the Senior Facilities and any related documentation (including, without limitation, this letter, the Term Sheet, the Fee Letter and the definitive financing documentation) or the administration, amendment, modification or waiver thereof.

Indemnity

You agree to indemnify and hold harmless ABC, ABC Securities, their affiliates and their respective officers, directors, and employees (each, an "indemnified person") from and against any and all losses, claims, damages and liabilities to which any such indemnified person may become subject arising out of or in connection with this letter, the Senior Facilities, the use of the proceeds thereof, the Transactions or any related transaction or any claim, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any indemnified person is a party thereto, and to reimburse each indemnified person upon demand for any reasonable legal or other expenses incurred in connection with investigating or defending any of the foregoing. The foregoing indemnity will not, as to any indemnified person, apply to losses, claims, damages, liabilities or related expenses to the extent they result from the willful misconduct or gross negligence of such indemnified person. To the extent not precluded by a conflict of interest, the indemnified persons and you will cooperate to minimize the legal and other expenses associated with any defense and any potential settlement or judgment. To the extent reasonably practicable and not disadvantageous to any party, it

¹⁸NB: Clause (f) might be included if there is concern about use of the standard "there not having occurred and continued to the date of closing". Some lenders might resist inclusion of the "continuing" concept because a sudden improved condition may leave very little time to syndicate and they do not want to fund a large exposure at closing and syndicate post closing. The language is not needed if completion of syndication post-closing is acceptable.

is anticipated that a single counsel may be used. Settlement of any claim or litigation involving any material indemnified amount will require your approval, not to be unreasonably withheld.

No indemnified person shall be liable for any indirect or consequential damages in connection with its activities related to the Senior Facilities.

Confidentiality

Each of ABC and ABC Securities expressly agrees that (i) it will maintain all material non-public information received from you confidential and (ii) it will cause each of its affiliates and potential Lenders to whom it gives such material non-public information to make such an express agreement for your benefit prior to delivery of such information to any such affiliate or potential Lender. None of ABC, ABC Securities or any of their affiliates will use confidential information obtained from you by virtue of the transactions contemplated by this letter or other relationships with you for any purpose other than that outlined in this letter, including, without limitation, in connection with the engagement of ABC, ABC Securities or their affiliates by other companies. None of ABC, ABC Securities or any of their affiliates will furnish any of your confidential information to other companies that have engaged us. You acknowledge that none of ABC, ABC Securities or any of their affiliates have any obligation in connection with the Transactions to use, or to furnish to you or any of your affiliates, confidential information obtained from other companies.

This letter is delivered to you on the understanding that neither this letter, the Term Sheet or the Fee Letter nor any of their terms or substance shall be disclosed, directly or indirectly, to any other person except (a) to your officers, agents and advisors who are directly involved in the consideration of this matter or (b) as may be compelled in a judicial or administrative proceeding or as otherwise required by law, regulation or stock exchange requirement. You may, however, disclose this letter and the Term Sheet, and their terms and substance (but not the Fee Letter or its terms and substance), to Worldwide and the Target after this letter has been accepted by you. [Following acceptance, this letter and Term Sheet may be included in SEC filings made by you or your affiliates.]

Conflicts of Interest

You acknowledge that ABC and its affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which you or your affiliates may have conflicting interests regarding the transactions described herein or otherwise; provided that, prior to the date on which you abandon the Acquisition, none of ABC, ABC Securities or any of their affiliates will, without your prior written consent, provide any debt financing, equity capital, or other services (including financial advisory services) for a competing bid to

acquire Target (other than through any financing commitment existing on the date hereof)].¹⁹

Miscellaneous

This letter and ABC's commitment hereunder shall not be assignable by you without the prior written consent of ABC and ABC Securities (and any purported assignment without such consent shall be null and void), is intended to be solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto. This letter may not be amended or waived except by an instrument in writing signed by you, ABC and ABC Securities. This letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this letter by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. This letter (including the Term Sheet) and the Fee Letter are the only agreements that have been entered into among us with respect to the Senior Facilities and set forth the entire understanding of the parties with respect thereto. This letter shall be governed by, and construed in accordance with, the laws of the State of New York, without reference to conflicts of laws principles.

Survivability

The reimbursement, indemnification and confidentiality provisions contained herein and in the Fee Letter shall remain in full force and effect regardless of whether definitive financing documentation shall be executed and delivered and notwithstanding the termination of this letter or ABC's commitment hereunder, provided that your obligations under this letter, other than those arising under the eleventh (reimbursement), twelfth (indemnity) and fourteenth (confidentiality) paragraphs of this letter as they relate to any party to this letter that will not be a party to the definitive financing documentation, shall automatically terminate and be superseded by the provisions of the definitive documentation relating to the Senior Facilities upon the initial funding thereunder, and you shall automatically be released from all liability in connection therewith at such time.

¹⁹Exclusivity may be appropriate in some cases, although such language primarily would be used in financing for an unsolicited bid and not in a private auction. In the case of providing a commitment letter in a competitive private auction for a company, Lenders might want to set up internal procedures with separate teams providing financing proposals for a variety of possible bidders and not foreclose financing opportunities with any person who might prove to be the winning bidder. Note that this language stops financing to competing bidders but does not stop financing or advice to the Target itself.

Assignment, Assumption and Release

At any time on or after the initial funding of the Senior Facilities, you may assign your obligations under this letter and the Fee Letter to the Borrower. Upon the assumption of such obligations by the Borrower, you shall be released from all obligations and liabilities under this letter and under the Fee Letter.

Termination of Commitment

You may terminate this letter upon written notice to ABC and ABC Securities at any time.²⁰ If the initial borrowing in respect of the Senior Facilities does not occur on or before _____, 2001, then this letter, ABC's commitment and ABC Securities' undertakings automatically terminate unless ABC and ABC Securities, in their discretion, agree to an extension.

Acceptance and Availability of Commitment

If the foregoing correctly sets forth our agreement, please indicate your acceptance of this letter (including the Term Sheet) and the Fee Letter by returning to us executed counterparts of this letter and the Fee Letter, not later than 5:00 p.m., New York City time, on _____, 2000. ABC's commitment and ABC Securities' agreements will expire if we have not received such executed counterparts by such time.

²⁰NB: The right to terminate should be express. In certain cases, exercise of the right to terminate may trigger an obligation to make a fee payment under the Fee Letter. Any such payment obligation should be the subject of a commercial agreement reflected in the Fee Letter.

ABC and ABC Securities are pleased to have been given the opportunity to assist you in connection with this important financing.

Very truly yours,

ABC BANK,

by: _____

Name:

Title:

ABC SECURITIES INC.,

by: _____

Name:

Title:

ACCEPTED AND AGREED

as of the date specified

below by:

BUYRIGHT COMPANY,

by: _____

Name:

Title:

date: _____