Exhibit A

CONFIDENTIAL
WCOM Draft 12 9 02

Terms and Conditions of Employment
Michael D. Capellas ("MDC") and WorldCom, Inc. (the "Company")

Dated as of December 2, 2002

The board of directors of the Company has elected and seeks to retain MDC as President and CEO of the Company and as Chairman of the Board subject to the acceptance by MDC of these Terms and Conditions of Employment (the "Terms") set forth below and approval of the Terms and any related definitive agreement by the Corporate Monitor (Hon. Richard C. Breeden)(the "Corporate Monitor"), the U.S. District Court for the Southern District of New York (Rakoff, J.) (the "Court") and by the U.S. Bankruptcy Court for the Southern District of New York (Gonzalez, J.)(the "Bankruptcy Court").

1. Position. Upon approval, following appropriate notice, of the Terms by the Corporate Monitor, the Court, and the Bankruptcy Court, MDC shall become President and CEO and Chairman of the Board of the Company.

2. Term. The initial term of this agreement shall commence upon the approvals set forth in paragraph 1 above and continue through and including December 31, 2005. Absent notice by either party prior to June 30, 2005 (and in the case of extensions, prior

to each subsequent June 30), this agreement shall be extended automatically for an additional year, and annually thereafter.

3. Base Salary. MDC's salary shall be $1,500,000, which amount shall be subject to annual review by the board of directors but may not be decreased except upon mutual consent. If applicable at that time, no increase in MDC's salary may be implemented prior to review and approval by the Corporate Monitor.

4. Bonus. A bonus equal to 100 percent of base salary will be guaranteed pro rata (taking the number of days worked out of a year of 365 days) for the period between commencement of the initial term and December 31, 2002, and such bonus shall be paid in December 2002. During calendar year 2003, a bonus equal to 100 percent of base salary will be guaranteed, to be paid in a lump sum in December 2003. For years 2004 and 2005 and during any subsequent annual extensions of the agreement, there shall not be any minimum guaranteed bonus. However, MDC will have the opportunity to earn a bonus of 100 percent of base salary for performance at target levels based on performance standards, with smaller or greater bonus opportunities for performance below or above target levels, all as determined by the board of directors and subject to approval of the Corporate Monitor, if then applicable.

Such performance targets are expected to include criteria such as:

- Specific increased levels of EBITDA, net income, or other financial performance measures.

- Successfully exiting from bankruptcy protection at the earliest possible time, consistent with the best interests of the Company and its stakeholders, and implementing a revised business model to sharply reduce operating costs and generate sustainable levels of profitability.
- Retention of existing customers and revenue base while developing new business and retention and recruitment of personnel for key leadership positions.
- Adherence to best corporate governance practices as Chairman of the Board.

5. Signing Bonus. MDC shall receive a signing bonus of $2.0 million, which amount shall be payable within 10 days following execution of a definitive employment agreement approved by the Corporate Monitor, the Court, and the Bankruptcy Court. The signing bonus shall be subject to proportionate clawback (based on the number of full calendar months of elapsed service divided by 37 calendar months) in the event MDC does not complete the initial term of employment for any reason other than termination of MDC's employment by the Company without Cause, by MDC for Good Reason, or by death or disability; *provided, however*, that the full signing bonus shall be repaid within ten days in the event of MDC's termination by the Company for Cause.

6. Benefits. MDC will be eligible to participate in all normal Company benefits for employees and executives.

7. Liability Insurance. MDC will be covered under the Company's directors and officers liability insurance policy, and the Company will indemnify MDC if he is made a

party or threatened to be made a party to any threatened, pending, or completed proceeding by reason of his actions while serving with, or at the request of, the Company to the fullest extent permitted under the Company's Bylaws and applicable law, including the Bankruptcy Code.

8. Termination of Employment.

(a) If MDC's employment is terminated by Company not for Cause or by MDC for Good Reason, MDC will receive a lump sum payment within 30 days after termination of employment equal to three times the sum of MDC's base salary and guaranteed bonus (target bonus during 2004 and thereafter). In any such event, MDC also will be entitled to continued health coverage at employee rates at his sole cost for 18 months following termination of employment.

(b) "Good Reason" includes (i) demotion or removal from the position of President and CEO or as a director of the Company; (ii) material change by the Company in MDC's duties or responsibilities, (iii) decrease in Base Salary or failure to provide an opportunity to earn performance bonuses as provided in paragraphs 4 above and 9(b) below; or (iv) any other material breach of employment agreement by the Company. "Good Reason" does not include (x) non-renewal of the Agreement at the conclusion of its initial term or upon any extension thereof, (y) election of a non-executive chairman of the board recommended by the nominating committee of the board after consultation with MDC and, if applicable, the Corporate Monitor (i.e., the Company may elect a non-executive chairman of the board), (z) the failure to grant any annual equity award if

established performance standards are satisfied, provided equivalent compensation is provided, (xx) any actions by the Company or by the Board required by the Company's corporate governance principles, or (yy) the failure for any reason of the Company and MDC to enter into a definitive employment agreement embodying the Terms. Termination by MDC or the Company based on an alleged breach of this agreement, including the alleged existence of Good Reason, shall require not less than 30 days notice to the other party, which shall have an opportunity to cure any such breach within said 30 day period, and MDC shall be required to make any assertion of "Good Reason" within 45 days of the events allegedly giving rise to "Good Reason".

(c) If MDC's employment is terminated by Company for Cause or MDC not for Good Reason, MDC will receive salary and other amounts earned but not yet paid (not including any pro-ration for bonuses, which shall not be payable) through the date of termination of employment (except to the extent subject to disgorgement under any applicable legal requirement). The Company shall be entitled to net the amount of any required repayment in full or proportional clawback of the signing bonus against any amounts due to MDC, without waiving or limiting the Company's rights to recover any excess amount due to it.

(d) "Cause" includes, generally, (i) the commission of any crime (excluding a petty misdemeanor) involving dishonesty or moral turpitude; (ii) any knowing or deliberate violation of a requirement of the Sarbanes-Oxley Act of 2002 or other material provision of the federal securities laws; (iii) willful gross neglect or willful misconduct in

the discharge of his duties, including without limitation any willful conduct resulting in or materially contributing to (whether by act or by omission to act) a violation by the Company of the Permanent Injunction or other orders binding on the Company issued by the Court; (iv) breach by MDC of the Terms, including any of the covenants contained herein (e.g., non-competition, non-solicitation, cooperation with ongoing investigations). In the event that the Company asserts that grounds exist for termination with Cause, it shall so notify MDC and within 15 days shall afford MDC a hearing before the board of directors regarding any disputed facts. The board of directors shall make a final determination regarding the existence of "Cause" upon completion of any such hearing, provided, however, that any determination that "Cause" exists shall require an affirmative vote of two-thirds of the non-employee directors of the Company and that if any such determination remains pending after such 15-day period, the Company shall be entitled to suspend MDC's duties pending determination of the existence of "Cause".

(e) If MDC's employment is terminated upon Death or Disability. In the event of MDC's death or disability during the term of this agreement, his estate or MDC shall receive a lump sum payment in an amount equal to his then current years' base salary plus target bonus. At the Company's option, this obligation may be satisfied in whole or in part through life insurance or disability policies purchased by the Company. Disability shall be defined as MDC's physical or mental incapacity which continues for a period of not less than six consecutive months or six months in any twelve month period, as determined by a doctor mutually agreeable to MDC and the board of directors. MDC

and/or his eligible dependents, as applicable, shall be entitled to continued health care coverage at employee rates at their sole cost for 18 months following death or disability.

9. Initial and Ongoing Equity Awards.

(a) Initial Equity Award. Upon the Company's emergence from bankruptcy, MDC will be entitled to receive an initial equity award of restricted stock with a value of $18 million at the date of emergence. The value of the restricted stock will be determined by a financial advisor appointed by the Company (the "Financial Advisor") and, absent manifest error, the Financial Advisor's determination of the value of such securities shall be binding upon the Company and MDC. All such restricted shares shall vest ratably over a period of three years, with vesting service measured from December 31, 2002. After releasing such number of shares as shall be necessary to cover taxes due as a result of vesting, 50 percent of the remaining shares shall be restricted as to resale until a date that shall be 12 months following MDC's termination of employment with the Company. With the prior consent of the Company and MDC, awards may be made in the form of restricted deferred stock units rather than restricted stock.

(b) Annual Equity Award. For each full calendar year following the calendar year in which the Company emerges from bankruptcy, MDC shall be eligible at the targeted performance levels to receive an annual equity award valued at two times the sum of base salary plus target annual bonus based upon achievement of performance objectives set for each such year by the board of directors, with such award to be granted based upon the applicable year. Such equity awards shall consist of such mix of

restricted stock or stock options as the board of directors may determine, and shall vest ratably over a period to be determined by the board of not less than three years.

(c) *Stock Options*. During the tenure of MDC's employment, commencing at the time of the Company's emergence from bankruptcy and then in each calendar year following the Company's emergence from bankruptcy, MDC shall be eligible to receive grants of stock options to be awarded by the board of directors on an annual basis in such amount as the board may determine from shares made available for such purpose in the Company's Plan of Reorganization or in any plan adopted by a vote of the holders of the Company's outstanding equity securities. The initial grant of options received by MDC upon the Company's emergence from bankruptcy shall vest ratably over a period of three years, shall have an exercise price equal to the fair market value of the optioned stock upon emergence (as determined by the Financial Advisor, which value shall, absent manifest error, be binding upon the Company and MDC), and shall be exercisable for a 10-year term. The value of all such option grants shall be expensed by the Company in its financial statements in a manner to be determined by the board of directors. Additional grants of options shall be awarded by the board reflecting such performance factors as the board may determine and shall be at such strike prices (equal to or greater than market value at the date of grant) and may contain such vesting periods and other terms as the board of directors may determine. After providing for sales in amounts necessary to pay income tax on option-related income, 50 percent of the shares acquired by MDC upon exercise of options shall not be sold until the date that is 12 months

following the date MDC's employment with the Company ceases unless the board of directors shall set a different requirement.

(d) *Treatment on Termination.* In the event of termination of MDC's employment by the Company without cause or by MDC for Good Reason, all restricted stock, restricted deferred stock units, or options then held by MDC shall vest and any options granted (i) upon emergence from bankruptcy shall remain exercisable until the fifth anniversary of MDC's termination of employment, and (ii) subsequent to emergence from bankruptcy (but following the initial grant) shall remain exercisable until the third anniversary of MDC's termination of employment. In the event of termination of MDC's employment by MDC not for Good Reason or by the Company for Cause, any unvested restricted stock, restricted deferred stock units, or options shall be forfeited and the exercise period for any vested stock options shall be limited to 90 days in the case of a termination by MDC other than for Good Reason and shall immediately expire in the case of a termination by the Company for Cause. In the event of MDC's death or disability, any unvested restricted stock or restricted deferred stock units will be vested ratably in the proportion that MDC's completed months of service bears to the months of service required for vesting, and options will vest and continue to be exercisable until the earlier of the original expiration date or one year following death or disability.

10. Relocation. MDC shall be entitled to reimbursement of all reasonable transaction costs and moving expenses associated with relocation in accordance with normal Company policies (excluding the cap set forth in the Company policy; provided,

however; the Company will not provide equity protection on the sale of MDC's existing residence or any advance or other payment relating to purchase of a new residence other than transaction costs reimbursed in accordance with Company policy).

11. Non-Competition/Non-Solicitation. In the event MDC's employment is terminated for any reason, other than expiration of this agreement (including any extensions) without renewal, MDC shall not, during the one-year period from the date of termination, solicit customers on behalf of or become an employee, consultant, advisor, director or assume any other position with any company located in the United States that is engaged primarily in the telecommunications industry or that competes with or is engaged in the same business as the Company or any material affiliate thereof in market segments that are material to the business of the Company and its affiliates at the time of termination, including for purposes of illustration, AT&T Corporation, SBC Communications Inc., Sprint Corporation, and Verizon Communications Inc. MDC shall also agree to customary confidentiality provisions, which shall continue in effect following expiration of the employment agreement or other termination of employment other than as to information that has independently become a part of the public domain. MDC shall not solicit employees of the Company for one year following the expiration of the employment agreement or other termination of employment. MDC shall also agree to customary provisions concerning intellectual property, including copyrights and trademarks, etc.

12. Change in Control.

(a) Definition of "Change in Control." The definition of Change in Control shall be: following the Company's emergence from bankruptcy (i) when one person/group becomes beneficial owner of 30 percent of the combined voting power of the Company's then outstanding securities; or (ii) a majority of the individuals who were members of the board upon emergence from bankruptcy (treating as such members those subsequently elected by a majority of the incumbent board) cease being members of the board; or (iii) following a merger, consolidation, reorganization, etc., the shareholders immediately prior thereto cease to own two-thirds of the combined voting power of the Company or successor entity.

(b) Protection Period. Two years following the Change in Control plus an involuntary termination by the Company within six months prior to and in anticipation of a Change in Control or demonstrated to be at the request of a third party that had taken steps reasonably calculated to effect a Change in Control.

(c) Impact of Change in Control. Upon a Change in Control described in (i) or (ii) of the definition of Change in Control in subparagraph *(a)* above, (x) equity awards vest and restrictions on disposition of vested stock or the payment of any deferred stock units lapse, and (y) signing bonus clawback no longer applies. Upon a Change in Control described in (iii) of the definition of Change in Control in subparagraph *(a)* above, the Company or its successor may assume all outstanding options and such assumed options will convert to options for shares of the successor company or its parent.

(d) *Impact of Termination by Company Without Cause or Termination by MDC for Good Reason During Protection Period (supplemental to pre-Change in Control provisions).* Upon MDC's termination of employment by the Company without cause or by MDC for Good Reason: (i) all options (whether assumed or not) shall be exercisable for 5 years or 3 years, as applicable; (ii) all remaining unvested equity awards vest and any restrictions on disposition of vested stock or the payment of any deferred stock units lapse; (iii) any deferred compensation becomes payable, and any amounts "earned" under other incentive plans that have not vested will vest and become payable as follows: (A) if based upon objective factors that can reasonably be determined, payment shall be based upon actual performance for such period or, if appropriate, pro-rated based on the relevant period of service, and (B) if objective factors or performance measures cannot reasonably be determined, payment shall be at target, pro-rated based on the relevant period of service; (iv) MDC receives 3 years of service credit for vesting and eligibility (but not accrual) purposes under Company retirement or welfare programs and other benefit programs, payable outside plans to the extent necessary, and three years of medical and life insurance coverage (subject to mitigation if MDC receives substantially equivalent coverages from another employer).

13. Parachute Gross-Up. Gross-up for any excise tax impose upon MDC as a result of a Change in Control sufficient to put MDC in same after-tax position as if excise tax were not due. Gross-up to be determined by the Company's external auditors assuming the highest marginal federal and applicable state tax rates, and MDC shall be entitled to

continuing indemnification for any additional tax imposed by taxing authorities relating to excise tax or gross-up.

14. Legal Fees. Company shall pay MDC's reasonable legal fees at standard hourly rates directly related to negotiation of the Terms and of a definitive employment agreement, and shall cover any taxes payable by MDC resulting from such payment.

15. Dispute Resolution. In the event of any dispute under the Terms or a definitive employment agreement, including without limitation if MDC shall assert the existence of Good Reason or any other breach of this agreement and the Company shall disagree as to the existence of Good Reason or any other asserted breach, MDC and the Company agree that such dispute shall be resolved by binding arbitration to be conducted in the Southern District of New York. In the event of any such proceeding, the losing party shall reimburse the winning party upon entry of a final award resolving the subject of the dispute for all reasonable legal expenses incurred, unless the arbitrator determines that to do so would be unjust. This agreement shall be governed by the substantive provisions of the laws of the State of New York.

16. Mutual Cooperation. The parties agree to take reasonable steps (without cost to MDC) to minimize the Company's tax obligations with respect to annual compensation.

17. Cooperation with Ongoing Investigations. MDC agrees that he will fully cooperate, and that he will as CEO cause and direct the Company and all officers,

employees, agents, and consultants employed by the Company to cooperate fully, with all governmental investigations of the Company and all orders entered by the Court.

18. Corporate Aircraft. MDC will be permitted use of corporate aircraft in accordance with the corporate aircraft policy approved by the board. No personal use of corporate aircraft will be permitted.

AGREED TO AND ACCEPTED:	AGREED TO AND ACCEPTED:
______________________________	______________________________
Michael D. Capellas	WorldCom, Inc.
	Title: