subex
powering the ROC

Subex Limited
RMZ Ecoworld
Outer Ring Road, Devarabisanahalli
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Email : info@subex.com
www.subex.com

January 4, 2013

To
The Manager – Listing
National Stock Exchange of India Limited
Exchange Plaza, Bandra – Kurla Complex,
Bandra (East)
Mumbai – 400 051

Dear Sir/Madam,

Sub: Updates

This is to inform you that the holders of the outstanding U.S.$127,721,000 5.70% Secured Convertible Bonds due 2017, convertible into ordinary shares of Subex Limited ("**Bonds**"), have at a meeting of the Bondholders on January 4, 2013, undertaken certain actions in relation to the Bonds. A summary of the key actions taken is set out below.

(i) The Bondholders have waived the requirement under the terms and conditions of the Bonds ("**Terms**") for the Company to make the scheduled payments of interest on January 6, 2013 and July 6, 2013, on the condition that a sum of U.S.$57.00 for each U.S.$1,000 principal amount of Bonds is paid to the Bondholders when the Bonds are redeemed;

(ii) The Bondholders have waived the requirement for a prior approval by an extraordinary resolution of the Bondholders for the incurrence of additional indebtedness by the Company so that the aggregate quantum of indebtedness may exceed the U.S.$40,000,000 maximum debt level previously appearing in the Terms by up to an additional US$10,000,000.

Please find enclosed herewith for your reference and records a copy of the notice communicating outcome of the meeting to the holders of 5.70% Bonds and a copy of Notice of the Meeting dated December 14, 2012.

Thanking you,
Yours truly
For Subex Limited

SUBEX LIMITED ★ BANGALORE-560 037 ★

Ganesh K V
Sr. Vice President – Finance & Company Secretary

ENCL: As above

THIS NOTICE IS NOT AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY OR EXCHANGE ANY SECURITIES IN THE UNITED STATES OR IN ANY OTHER JURISDICTION.

THIS NOTICE OR ANY OTHER DOCUMENTS OR MATERIALS RELATING TO THE MEETING HAVE NOT BEEN SUBMITTED TO THE CLEARANCE PROCEDURES OF THE COMMISSIONE NAZIONALE PER LE SOCIETÀ E LA BORSA (CONSOB) PURSUANT TO ITALIAN LAWS AND REGULATIONS. THIS NOTICE IS CIRCULATED IN THE REPUBLIC OF ITALY UNDER THE EXEMPTION PURSUANT TO ARTICLE 101-BIS, PARAGRAPH 3-BIS OF THE LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AS AMENDED (THE FINANCIAL SERVICES ACT) AND ARTICLE 35-BIS, PARAGRAPH 4, LETTER B) OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS AMENDED.

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF BONDHOLDERS. IF BONDHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD CONSULT THEIR OWN INDEPENDENT PROFESSIONAL ADVISERS IMMEDIATELY.

SUBEX LIMITED

(incorporated in the Republic of India with limited liability under the Indian Companies Act, 1956 with CIN L85110KA1994PLC016663)

(the **Issuer**)

NOTICE

to the holders of the

U.S.$127,721,000 5.70% Secured Convertible Bonds due 2017, convertible into Ordinary Shares of Subex Limited (the Bonds)

ISIN: XS0799661698

RELATING TO MATTERS CONSIDERED AT A MEETING CONVENED BY THE ISSUER AT 11.00 A.M. (SINGAPORE TIME) ON 4 JANUARY 2013

We refer to a Notice of Meeting from the Issuer dated 14 December 2012 (the **Notice of Meeting**). Terms used but not defined in this Notice have the meaning given in the Notice of Meeting.

Results of Meeting

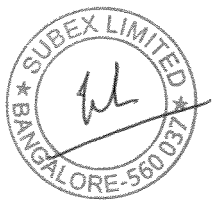
Notice is hereby given to the holders of the Bonds that, at the Meeting of such holders held on 4 January 2013 at 11:00 a.m. (Singapore time) at the offices of Allen & Overy LLP, 50 Collyer Quay, #09-01 OUE Bayfront, Singapore 049321, the Extraordinary Resolution set out in the Notice of Meeting previously notified to Bondholders in accordance with the terms of the Trust Deed for such Bonds was duly passed.

The Issuer has provided the Trustee with: (i) a duly executed deed of undertaking in the form attached as Schedule 1 to the Notice of Meeting; and (ii) a duly executed officer's certificate in the form attached as Schedule 2 to the Notice of Meeting, as a result of which the Extraordinary Resolution has become effective.

This Notice is given by:

SUBEX LIMITED

4 January 2013



THIS NOTICE OF MEETING IS NOT AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY OR EXCHANGE ANY SECURITIES IN THE UNITED STATES OR IN ANY OTHER JURISDICTION.

THIS NOTICE OF MEETING OR ANY OTHER DOCUMENTS OR MATERIALS RELATING TO THE MEETING HAVE NOT BEEN SUBMITTED TO THE CLEARANCE PROCEDURES OF THE *COMMISSIONE NAZIONALE PER LE SOCIETÀ E LA BORSA* (CONSOB) PURSUANT TO ITALIAN LAWS AND REGULATIONS. THIS NOTICE OF MEETING IS CIRCULATED IN THE REPUBLIC OF ITALY UNDER THE EXEMPTION PURSUANT TO ARTICLE 101-BIS, PARAGRAPH 3-BIS OF THE LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AS AMENDED (THE FINANCIAL SERVICES ACT) AND ARTICLE 35-BIS, PARAGRAPH 4, LETTER B) OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999, AS AMENDED.

THIS NOTICE OF MEETING IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF BONDHOLDERS. IF BONDHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD CONSULT THEIR OWN INDEPENDENT PROFESSIONAL ADVISERS IMMEDIATELY.

SUBEX LIMITED
(*incorporated in the Republic of India with limited liability under the Indian Companies Act, 1956 with CIN L85110KA1994PLC016663*)
(the **Issuer**)

NOTICE OF MEETING

of the holders of the

U.S.$127,721,000 5.70% Secured Convertible Bonds due 2017, convertible into Ordinary Shares of Subex Limited (the Bonds)

ISIN: XS0799661698

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Schedule 3 to the Trust Deed (as defined below) constituting the Bonds and made between the Issuer and the Trustee (as defined below) as trustee for the Bondholders (as defined below), a meeting of the Bondholders convened by the Issuer will be held at 11:00 am (Singapore time) on 4 January 2013 at the offices of Allen & Overy LLP, 50 Collyer Quay, #09-01 OUE Bayfront, Singapore 049321, for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed. Unless the context otherwise requires, capitalised terms used in this Notice of Meeting shall bear the meanings given to them in the Trust Deed.

EXTRAORDINARY RESOLUTION

"THAT THIS MEETING (the **Meeting**) of the holders (the **Bondholders**) of the outstanding U.S.$127,721,000 5.70% Secured Convertible Bonds due 2017, convertible into ordinary shares of Subex Limited (the **Bonds**) issued by Subex Limited (the **Issuer**) constituted by a trust deed dated 6 July 2012 (the **Trust Deed**) between the Issuer and The Bank of New York Mellon, acting through its London Branch, as trustee for the Bondholders (the **Trustee**), by Extraordinary Resolution (as defined in the Trust Deed) HEREBY:

(1) approves, assents and agrees to waive the 6 January 2013 and the 6 July 2013 interest payments under Condition 5.1 (*Interest – Interest*) of the Terms and Conditions of the Bonds as set out in Schedule 1 to the Trust Deed (the **Conditions**) on the condition that U.S.$57.00 for each U.S.$1,000 principal amount of Bonds then outstanding be paid along with the Early Redemption Amount and/or the amount at which the Issuer will redeem the Bonds at the Maturity Date (such payments, the **Waiver Condition**);



(2) approves, assents and agrees to waive the prior approval of an Extraordinary Resolution for the incurrence of additional Relevant Indebtedness under Condition 4.4 (*Reserved Matter Approval*) so that the aggregate quantum of the Group's Relevant Indebtedness may exceed the U.S.$40,000,000 Maximum Debt Level appearing in Condition 4.2 (*Certain Covenants - Indebtedness*) by up to an additional US$10,000,000 ((1) and (2) together, the **Waivers**);

(3) approves, assents and agrees irrevocably (A) to waive any and all Events of Default and Potential Events of Default under the Trust Deed and the Conditions that may occur as a result of the Waivers provided that, with respect to the 6 January 2013 and 6 July 2013 interest payments, the Waiver Condition is satisfied; and (B) the Waivers shall not at any time constitute, or be determined or regarded as, or be alleged by the Bondholders, the Trustee (acting on the instructions of the bondholders) or any other person to be, an event requiring an adjustment to be made to the Conversion Price (as defined in the Conditions) under Condition 6.3 (*Adjustment to Conversion Price*) (or any other provision of the Bonds, the Conditions, the Trust Deed or the Agency Agreement), and Condition 6.3 (*Adjustment to Conversion Price*) and the Trust Deed shall at all times be construed accordingly;

(4) sanctions, authorises, directs, requests and empowers the Trustee to concur in the Waivers and the Waiver Condition and, in order to give effect thereto and to implement the same, forthwith to execute and deliver the deed of undertaking in the form attached as Schedule 1 to the Notice of Meeting and to concur in and to execute and do, all such other deeds, instruments, acts and things as may be necessary to carry out and give effect to this Extraordinary Resolution;

(5) discharges and exonerates each of the Trustee and the Registered Bondholder (as defined in the Notice of Meeting) and each of their respective directors, officers and employees from all liability for which any of them may have become or may become responsible under the Trust Deed, the Bonds or otherwise in respect of any act or omission in connection with the Waivers, their implementation and/or this Extraordinary Resolution and acknowledges that the Trustee has not and will not make any independent assessment of the Waivers and the impact thereof on the interests of the Bondholders and is acting solely on the instructions of the Bondholders in respect of this Extraordinary Resolution; and

(6) this Extraordinary Resolution shall not become effective unless and until the Issuer provides a duly executed deed of undertaking to the Trustee in the form attached as Schedule 1 to the Notice of Meeting and an officer's certificate in the form attached as Schedule 2 to the Notice of Meeting.

Unless the context otherwise requires, capitalised terms used in this Extraordinary Resolution shall bear the meanings given to them in the Trust Deed or, as applicable, the Notice of Meeting."

Rationale for the Extraordinary Resolution

The Issuer believes that approval of the Extraordinary Resolution is necessary and desirable for the Issuer and beneficial for Bondholders for the principal reasons set out below.

Interest Payment

The Issuer will not have sufficient cash to make the scheduled initial interest payments on 6 January 2013 and 6 July 2013.

The Issuer therefore believes that waiving these interest payments and delaying the first Interest Payment Date for one year is the only viable option available to the Issuer to avoid a payment default on the Bonds. Failure to pay the interest on the Bonds on 6 January 2013 and / or 6 July 2013 would constitute an Event of Default, and could give rise to events of default under other indebtedness of the Issuer. Unless a further restructuring could be agreed with its creditors, such a default may ultimately lead to the insolvency of the Issuer, among other things.

As a condition to the waiver of these interest payments, the Issuer proposes to pay an amount equivalent to the value of the waived 6 January 2013 and 6 July 2013 interest payments, being an

SUBEX LIMITED ★ BANGALORE-560 037 ★

aggregate of US$57 for each US$1,000 in principal amount of Bonds, along with the Early Redemption Amount and/or the amount payable upon redemption of the Bonds on the Maturity Date.

The New Debt Approval

Pursuant to Condition 4.2 (*Certain Covenants - Indebtedness*), the Maximum Debt Level is currently U.S.$40,000,000, which amount can be increased by an Extraordinary Resolution.

The Group's projected expenditures may result in the incurrence of additional Relevant Indebtedness (the **New Debt**). The New Debt, when aggregated with the existing Relevant Indebtedness of the Group, will likely exceed the Maximum Debt Level. The Issuer is seeking a waiver of the prior approval of an Extraordinary Resolution for the incurrence of additional Relevant Indebtedness under Condition 4.4 (*Reserved Matter Approval*) so that the aggregate quantum of the Group's Relevant Indebtedness may exceed the U.S.$40,000,000 Maximum Debt Level appearing in Condition 4.2 (*Certain Covenants - Indebtedness*) by up to an additional US$10,000,000 in order to facilitate the New Debt.

Bondholders should note that the Waivers would permit the Issuer to forego previously required actions and may increase the credit risk with respect to the Bonds, may adversely affect the market price of the Bonds and/or may otherwise be materially adverse to the interests of holders of the Bonds.

Documents Available for Inspection

Bondholders may, at any time during normal business hours on any weekday (Saturdays, Sundays and bank and other public holidays excepted) prior to and during the Meeting, obtain copies of the documents listed below at the specified office of the Principal Agent set out below and at the registered office of the Issuer.

Documents available:

- a copy of this Notice of Meeting;
- a copy of the Trust Deed; and
- a copy of the Agency Agreement (as defined in the Trust Deed).

General

The attention of Bondholders is particularly drawn to the quorum required for the Meeting and for an adjourned Meeting which is set out in the Trust Deed and summarised in "- *Voting and Quorum*" below. Having regard to such requirements, Bondholders are strongly urged either to attend the Meeting or to take steps to be represented at the Meeting, as referred to below, as soon as possible.

None of the Trustee, the Principal Agent or any other Agent expresses any view as to the merits of the Waivers or the Extraordinary Resolution but the Trustee has authorised it to be stated that it has no objection to the Waivers and the Extraordinary Resolution being put to Bondholders for their consideration. None of the Trustee, the Principal Agent or any other Agent has been involved in negotiating the Waivers and none of them makes any representation that all relevant information has been disclosed to the Bondholders in or pursuant to this Notice of Meeting. Accordingly, each of the Trustee and the Principal Agent recommends that Bondholders who are unsure of the impact of the Waivers and the Extraordinary Resolution should seek their own financial, tax and legal advice.

The Issuer will bear certain customary legal, accounting and other professional fees and expenses associated with the Waivers.

All of the Bonds are held by The Bank of New York Mellon Depository (Nominees) Limited, as a nominee of a common depository for Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) (the **Registered Bondholder**). For the

SUBEX LIMITED BANGALORE-560 037

purposes of this Notice of Meeting, **holder of Bonds** or **Bondholder** shall mean each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of the Bonds, unless the context otherwise requires, and related expressions shall be construed accordingly, and the passing of the Extraordinary Resolution shall be deemed an instruction to the Registered Bondholder to approve the Extraordinary Resolution in accordance with its terms.

Voting and Quorum

(1) The provisions governing the convening and holding of the Meeting are set out in Schedule 3 (*Provisions for meetings of Bondholders*) to the Trust Deed, a copy of which is available for inspection as referred to above.

(2) A Bondholder wishing to attend and vote at the Meeting in person must produce a valid voting certificate or valid voting certificates issued by the Principal Agent relative to the Bond(s), in respect of which it wishes to vote.

(3) A Bondholder not wishing to attend and vote at the Meeting in person may, in accordance with the procedures of Clearstream, Luxembourg or Euroclear, instruct the Principal Agent to issue a block voting instruction and appoint a proxy (or, in the case of a Bondholder that is a corporation, a representative) to attend and vote at the Meeting in accordance with its instructions.

(4) An accountholder with Euroclear or Clearstream, Luxembourg (an **Accountholder**) who wishes to obtain a voting certificate or procure the Principal Agent to issue a block voting instruction and appoint a proxy (or, as the case may be, representative) to attend and vote at the Meeting (or, if applicable, any adjourned such Meeting) on his behalf should (not less than 48 hours before the time appointed for the holding of the Meeting (or, if applicable, any adjourned such Meeting) and within the relevant time limit specified by Euroclear or Clearstream, Luxembourg (as the case may be)) request the relevant clearing system to block the Bonds in his own account and to hold the same to the order or under the control of the Principal Agent.

(5) An Accountholder whose Bonds have been so blocked will thus be able to obtain a voting certificate from the Principal Agent, or procure that a block voting instruction is given either by deposit of a voting instruction form with or otherwise in accordance with the procedures of Euroclear or Clearstream, Luxembourg. For the avoidance of doubt, an Accountholder may obtain a voting certificate or procure a block voting instruction from the Principal Agent to the extent that the Accountholder has deposited voting instructions with Euroclear or Clearstream, Luxembourg no later than 10 a.m. (London time) on 31 December 2012.

(6) Any Bond(s) so held and blocked for the purpose of obtaining a voting certificate will be released to the Accountholder by the relevant clearing system on the earliest of (i) the conclusion of the Meeting (or, if applicable, any adjourned such Meeting) and (ii) (within the time limit specified by the relevant clearing system) the surrender of the voting certificate to the Principal Agent who issued the same.

(7) Any Bond(s) so held and blocked for the purpose of obtaining a block voting instruction will be released to the Accountholder by the relevant clearing system on the earliest of (i) the conclusion of the Meeting (or, if applicable, any adjourned such Meeting) and (ii) (within the time limit specified by the relevant clearing system) such Bond(s) ceasing in accordance with the procedures of the relevant clearing system and with the agreement of the Principal Agent to be held to its order or under its control; provided, however, in the case of (ii) above, that if the Principal Agent has caused a block voting instruction to be delivered to the Issuer in respect of such Bond(s), such Bond(s) will not be released to the relevant Accountholder unless and until the Principal Agent has notified the Issuer of the necessary revocation of or amendment to such block voting instruction.

(8) At the Meeting, the quorum required to pass the Extraordinary Resolution is two or more persons present in person holding voting certificates or being proxies or representatives and holding or representing in the aggregate not less than 75 per cent. in principal amount of the

SUBEX LIMITED ★ BANGALORE-560 037 ★

Bonds for the time being outstanding (as defined in the Trust Deed). If a quorum is not present at the Meeting, the Meeting will be adjourned and the Extraordinary Resolution will be considered at an adjourned Meeting (notice of which will be given to Bondholders). The quorum at such adjourned Meeting shall be two or more persons present in person holding voting certificates or being proxies or representatives and holding or representing in the aggregate not less than 25 per cent. in principal amount of the Bonds for the time being outstanding (as defined in the Trust Deed).

(9) Whilst the Bonds are represented by the Global Certificate, the registered holder thereof is treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each U.S.$1,000 in principal amount of Bonds in respect of which the Global Certificate is issued.

(10) Every question submitted to each Meeting shall be decided in the first instance by a show of hands and in case of equality of votes, the chairman of the Meeting shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a holder of a voting certificate or as a proxy or representative. A poll may be demanded by the chairman of the Meeting, the Issuer, the Trustee or any person present holding a voting certificate or being a proxy or representative of in the aggregate not less than 2 per cent. in principal amount of the Bonds for the time being outstanding (as defined in the Trust Deed). On a show of hands every person who is present in person and produces a voting certificate or is a proxy or representative shall have one vote. On a poll every person who is so present shall have one vote in respect of each U.S.$1,000 in principal amount of the Bonds represented by the voting certificate so produced or in respect of which he is a proxy or representative.

(11) To be passed, the Extraordinary Resolution requires a majority in favour consisting of not less than three-quarters of the votes cast. If passed, the Extraordinary Resolution shall be binding upon all the Bondholders whether present or not present at the Meeting and whether or not voting, and each of them shall be bound to give effect to it accordingly.

(12) Notice of the results of the Meeting to vote on the Extraordinary Resolution shall be given to Bondholders by the Issuer as soon as possible after the Meeting but in any event no later than seven days following the Meeting.

(13) This Notice of Meeting and all non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

(14) Bondholders whose Bonds are held by Euroclear or Clearstream, Luxembourg should contact the following for further information:

Euroclear:	Custody Operations Department Tel: (Brussels) +322 224 4245, Fax: +322 224 1459
Clearstream, Luxembourg:	Corporate Action (CIE) Department Tel: (Luxembourg) +352 46 564 8065, Fax: +352 46 564 8248

(15) The address and contact details of the Principal Agent and Paying Agent with respect to the Bonds are as follows:

The Bank of New York Mellon
One Canada Square
London E14 5AL
Attention: Trustee Administration Manager
Fax: +44 20 7964 4637

This Notice of Meeting is given by:

SUBEX LIMITED

SUBEX LIMITED ★ BANGALORE-560 037 ★

14 December 2012

Dated 4 January 2013

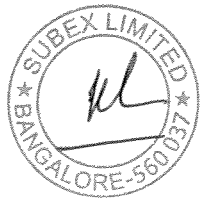
Subex Limited

as Issuer

The Bank of New York Mellon, acting through its London Branch

as Trustee

Deed of Undertaking
relating to a Trust Deed dated 6 July 2012
in respect of
US$127,721,000 5.70% Secured
Convertible Bonds due 2017 Convertible
into Ordinary Shares of Subex Limited



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This **DEED** is made on 4 January 2013

BETWEEN:

(1) **SUBEX LIMITED** (the **Issuer**); and

(2) **THE BANK OF NEW YORK MELLON, ACTING THROUGH ITS LONDON BRANCH** (the **Trustee**).

WHEREAS:

(A) The Issuer and the Trustee have entered into a trust deed (the **Trust Deed**) dated 6 July 2012 constituting the Issuer's US$127,721,000 5.70% Secured Convertible Bonds due 2012 convertible into ordinary shares of Subex Limited (the **Bonds**).

(B) By an Extraordinary Resolution dated 4 January 2013 (the **Extraordinary Resolution**), the Bondholders approved, assented and agreed to the Waivers (as defined below), and requested the Trustee to concur in such Waivers and to execute this Deed to give effect thereto (the **Deed**).

NOW THIS DEED WITNESSETH and it is hereby agreed and declared as follows:

1 Definitions and Interpretation

1.1 Unless otherwise defined herein, all words and expressions defined in the Trust Deed (including, for the avoidance of doubt, in the Terms and Conditions of the Bonds (the **Conditions**) set out in Schedule 1 thereto) shall where the context so requires and admits have the same meaning in this Deed.

2 Waivers under the Trust Deed

2.1 Pursuant to the Extraordinary Resolution, and in accordance with Clause 16.1 of the Trust Deed and Condition 14 (*Meetings of Bondholders, Modification, Waiver and Substitution*), the Issuer and the Trustee (acting on behalf, and on the instructions, of the Bondholders pursuant to the Extraordinary Resolution) agree that:

(a) the 6 January 2013 and the 6 July 2013 interest payments under Condition 5.1 (*Interest – Interest*) are waived on the condition that U.S.$57.00 for each U.S.$1,000 principal amount of Bonds then outstanding be paid along with the Early Redemption Amount and/or the amount at which the Issuer will redeem the Bonds at the Maturity Date (such payments, the **Waiver Condition**) and the Issuer undertakes to make the payments to satisfy the Waiver Condition;

(b) the prior approval of an Extraordinary Resolution for the incurrence of additional Relevant Indebtedness under Condition 4.4 (*Reserved Matter Approval*) is waived so that the



aggregate quantum of the Group's Relevant Indebtedness may exceed the U.S.$40,000,000 Maximum Debt Level appearing in Condition 4.2 (*Certain Covenants - Indebtedness*) by up to an additional US$10,000,000 (Clauses 2.1(a) and 2.1(b) together, the **Waivers**);

(c) (i) any and all Events of Default and Potential Events of Default under the Trust Deed and the Conditions that may occur as a result of the Waivers are irrevocably waived provided that, with respect to the 6 January 2013 and 6 July 2013 interest payments, the Waiver Condition is satisfied; and (ii) the Waivers shall not at any time constitute, or be determined or regarded as, or be alleged by the Bondholders, the Trustee or any other person to be, an event requiring an adjustment to be made to the Conversion Price (as defined in the Conditions) under Condition 6.3 (*Adjustment to Conversion Price*) (or any other provision of the Bonds, the Conditions, the Trust Deed or the Agency Agreement), and Condition 6.3 (*Adjustment to Conversion Price*) and the Trust Deed shall at all times be construed accordingly; and

(d) the Waivers are hereby effected in accordance with and pursuant to the relevant terms of the Trust Deed and the Conditions and, for the avoidance of doubt, agree that the Waivers do not constitute and shall not at any time be construed by the Bondholders or the Trustee as an Event of Default or Potential Event of Default.

3 Conditions Precedent

The Issuer represents and warrants that the Issuer has obtained all necessary internal, corporate and other approvals and consents and complied with all applicable securities and other laws in relation to the Waivers, the Waiver Condition and this Deed.

4 Costs, Expenses and Indemnification

4.1 Clauses (*Remuneration and Indemnification of the Trustee*) of the Trust Deed shall apply, *mutatis mutandis*, to this Deed.

4.2 In addition, the Issuer agrees and undertakes fully and effectively to indemnify and hold harmless the Trustee and The Bank of New York Mellon Depository (Nominees) Limited as the Registered bondholder (the **Registered Bondholder**) and the officers, directors and employees of each of the Trustee and the Registered Bondholder (together, the **Indemnified Parties**) from and against (i) all losses, liabilities, damages, costs, charges and expenses which may be suffered or incurred by any of the Indemnified Parties as a result of any claims (whether or not successful, compromised or settled), actions, demands or proceedings brought or established against any Indemnified Party which do not result from any fraud, gross negligence and/or wilful default on the part of any Indemnified Party and (ii) against any and all other losses, costs,

SUBEX LIMITED

damages, charges or expenses (including legal fees) which an Indemnified Party may suffer or incur which in any case arise as a result of such Indemnified Party acting in reliance on the Conditions Precedent Confirmation Letter delivered to it by the Issuer and in accordance with the Extraordinary Resolution and this Deed.

5 Trust Deed

Subject to the Waivers hereunder, the Trust Deed and the Bonds shall remain in full force and effect.

6 Notices

The Issuer acknowledges that the Trustee may, but is under no obligation to, provide a copy of this Deed to any Bondholder requesting a copy or inspection of the Trust Deed.

7 Counterparts

This Deed may be executed in any number of counterparts, each of which is an original and all of which together evidence the same agreement. This Deed shall not come into effect until each party has executed and delivered at least one counterpart.

8 Governing Law and Jurisdiction

8.1 Governing Law

This Deed and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, the laws of England.

8.2 Jurisdiction

(a) The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with this Deed (a **Dispute**) (including a dispute regarding the existence, validity or termination of this Deed or relating to any non-contractual or other obligation arising out of or in connection with this Deed) or the consequences of its nullity.

(b) The parties agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.

(c) Notwithstanding Clause 8.2(a), this Clause does not prevent any of the Trustee or each of the Bondholders from taking proceedings relating to a Dispute (**Proceedings**) in any other courts with jurisdiction. To the extent allowed by law, any of the Trustee or each of the Bondholders may take concurrent Proceedings in any number of jurisdictions.

8.3 Service of process



The Issuer irrevocably appoints Law Debenture Corporate Services Limited of Fifth Floor, 100 Wood Street, London EC2V 7EX, England as its agent for service of process in England. Subject to applicable law, such service shall be deemed to be completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). The Issuer will procure that, so long as any of the Bonds is outstanding, there shall be in force an appointment of such a person with an office in England with authority to accept service as aforesaid on behalf of the Issuer and, failing such appointing within 15 days after demand by or on behalf of the Trustee, the Trustee shall be entitled by notice to the Issuer to appoint such person at the cost of the Issuer. Nothing herein shall affect the right to serve process in any other manner permitted by law.

9 Third Party Rights

Save for the Registered Bondholder (who may enforce its rights under Clause 4.2), a person who is not party to this Deed may not enforce any terms of this Deed under the Contract (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any third party which exists or is available apart from that Act.

IN WITNESS WHEREOF this Deed has been executed as a deed by the parties hereto and is intended to be and is hereby delivered on the day first before written.

SIGNATURES

EXECUTED AND DELIVERED AS A DEED BY
SUBEX LIMITED
Acting by its duly authorised signatory/ies:

Name:
Title:

Name:
Title:

The Trustee
EXECUTED AND DELIVERED AS A DEED BY
THE BANK OF NEW YORK MELLON
By:

SG\3858643.6

TSOLA UWHUBA
Vice President

SUBEX LIMITED BANGALORE-560 037

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Bangalore - 560 037 India
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Schedule 2

Form of Officers' Certificate

Date: 4 January 2013

To: THE BANK OF NEW YORK MELLON, ACTING THROUGH ITS LONDON BRANCH, as trustee (the **Trustee**) for the holders (the **Bondholders**) of the outstanding US$127,721,000 5.70% Secured Convertible Bonds due 2017 Convertible into Ordinary Shares of Subex Limited, issued by Subex Limited (the **Issuer**) constituted by a trust deed dated 6 July 2012 between the Issuer and The Bank of New York Mellon, acting through its London Branch (the **Trustee**).

The undersigned officers hereby certify for and on behalf of the Issuer that the representations, warranties and covenants of the Issuer set forth below are true and correct on the date hereof:

1 The operations of the Issuer have been, are and will be conducted at all times in compliance with all applicable anti-money laundering laws, statutes, rules and regulations and any related or similar laws, statutes, rules, regulations or guidelines issued, administered or enforced by any governmental agency in the jurisdictions in which the Issuer is subject thereto (collectively, the **Anti-Money Laundering Laws**), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Issuer with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Issuer, threatened.

2 Neither the Issuer nor any of its affiliates, directors, officers, employees, agents or representatives, directly or indirectly, has violated, is in violation of, or will violate any of the following (as if the same are applicable to the Issuer and each of its affiliates, directors, officers, employees, agents or representatives): (i) any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the rules and regulations promulgated thereunder (collectively, the **FCPA**); (ii) the U.K. Bribery Act; (iii) the Canada Corruption of Foreign Public Officials Act; or (iv) any provision of equivalent laws of any other jurisdiction relevant to the Issuer's operations or to which the Issuer or any of its subsidiaries or representatives may be subject.

3

(a) Neither the Issuer nor any of its subsidiaries or any of its or their affiliates, directors, officers, employees, agents or representatives, is or is controlled by a person (a **Banned Person**) which is a government, an individual or entity that is:

(i) the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control, the United Nations Security Council, the European Union, Her Majesty's Treasury, Foreign Affairs and International Trade Canada or other relevant sanctions authority (collectively, **Sanctions**), nor

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(ii) located, organised or resident in a country or territory that is the subject of Sanctions (including, without limitation, Burma/Myanmar, Cuba, Iran, North Korea, Syria and Sudan).

(b) The Issuer represents and covenants that for the past five years, it and its subsidiaries have not knowingly engaged in, are not now knowingly engaged in, and the Issuer will not and will procure that its subsidiaries do not knowingly engage in, any dealings or transactions with any Banned Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions.

4 In connection with the above representations, warranties and covenants, the Issuer shall maintain all necessary and appropriate controls and procedures reasonably to ensure that:

(a) the Issuer conducts its operations in a manner consistent with the Anti-Money Laundering Laws; and

(b) no violation of the FCPA, the U.K. Bribery Act, the Canada Corruption of Foreign Public Officials Act, or any provision of equivalent laws of any other jurisdiction relevant to the Issuer's operations (in each case, as if the same are applicable to the Issuer) will arise as a result of the Issuer's operations, including, to the best of its knowledge after due inquiry, the operations of its affiliates, directors, officers, employees, agents or representatives; and

(c) the Issuer and, to the best of its knowledge after due inquiry, its affiliates, directors, officers, employees, agents or representatives are not controlled by, and do not knowingly fund or transact business with, a Banned Person.

5 Without limitation to the above, the Issuer represents and covenants that it and its subsidiaries are not, and the Issuer will not be (and will procure that its subsidiaries are not), knowingly in violation or default in any material respect of any other provision of applicable law or regulation or any judgment, order or decree of any court or governmental, administrative or regulatory agency or body or stock exchange authority having jurisdiction over it or any of its assets.

DATED at Bangalore, India, 4 January 2013

SUBEX LIMITED

By: _____
Managing Director & CEO

By: _____
Sr. Vice President – Finance & Company Secretary

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