

4.14 Limitation on Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, GM MAKES NO REPRESENTATION OR WARRANTY TO THE PURCHASER, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, WITH RESPECT TO THE SHARES, GM, HUGHES OR ANY SUBSIDIARY OF HUGHES, INCLUDING WITH RESPECT TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. ALL REPRESENTATIONS OR WARRANTIES NOT EXPRESSLY SET FORTH IN THIS AGREEMENT ARE HEREBY DISCLAIMED, AND THE PURCHASER ACKNOWLEDGES THAT IT IS NOT RELYING ON ANY REPRESENTATION OR WARRANTY OF GM NOT EXPRESSLY SET FORTH IN THIS AGREEMENT.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF HUGHES

Hughes hereby represents and warrants to the Purchaser as follows, except as specifically described in (a) Hughes' annual report on Form 10-K for the fiscal year ended December 31, 2002 (the "Hughes 10-K") and all other reports, filings, registration statements and other documents (collectively with the Hughes 10-K, the "Hughes SEC Documents") filed by Hughes with the SEC after December 31, 2002 and prior to the date hereof (as such documents have been amended since the time of their filing and prior to the date hereof) and (b) PanAmSat's annual report on Form 10-K for the fiscal year ended December 31, 2002 (the "PanAmSat 10-K") and all other reports, filings, registration statements and other documents (collectively with the PanAmSat 10-K, the "PanAmSat SEC Documents") filed by PanAmSat with the SEC after December 31, 2002 and prior to the date hereof (as such documents have been amended since the time of their filing and prior to the date hereof), all of which are of public record (it being understood that the representations and warranties of Hughes set forth in this Article V shall not be qualified by any risk factor disclosure in the Hughes SEC Documents or the PanAmSat SEC Documents).

5.1 Organization and Good Standing. Each of Hughes and Hughes' Significant Subsidiaries is a corporation or limited liability company validly existing and in good standing under the laws of the State of Delaware, with respect to Hughes, and (to the extent such concepts or equivalent concepts are recognized in such jurisdictions) under the laws of its state or other jurisdiction of incorporation or organization, with respect to Hughes' Significant Subsidiaries, in each case, with all corporate (and other) power to carry on its business as now conducted. Each of Hughes and Hughes' Subsidiaries is duly qualified to do business and is in good standing (to the extent that such concepts or equivalent concepts are recognized in such jurisdictions) in each jurisdiction in which the nature of the business conducted by it or the property it owns, leases or operates makes such qualification necessary, except where the failure to be so qualified or in good standing in such jurisdiction has not had and would not reasonably be expected to have a Hughes Material Adverse Effect or have a material adverse impact on Hughes' ability to consummate the transactions contemplated by the Hughes Transaction Agreements.

5.2 Subsidiaries. Section 5.2 of the disclosure schedule delivered by Hughes to the Purchaser and dated as of the date hereof (the “Hughes Disclosure Schedule”) sets forth a list of all of the Subsidiaries of Hughes. Hughes does not own, directly or indirectly, any equity or other ownership interest in any Person, except as set forth in Section 5.2 of the Hughes Disclosure Schedule. Except as set forth in Section 5.2 of the Hughes Disclosure Schedule, Hughes is not subject to any obligation or requirement to provide funds to or make any investment (in the form of a loan, capital contribution or otherwise) in any such entity. Except as set forth in Section 5.2 of the Hughes Disclosure Schedule, each of the outstanding shares of capital stock or other ownership interests of each of Hughes’ Subsidiaries is duly authorized, validly issued, fully paid and nonassessable, and is owned, directly or indirectly, by Hughes free and clear of all Encumbrances and no such shares or other ownership interests have been issued in violation of any preemptive or similar rights. Other than as set forth in Section 5.2 of the Hughes Disclosure Schedule, there are no outstanding subscriptions, options, warrants, puts, calls, agreements, understandings, claims or other commitments or rights of any type relating to the issuance, sale, transfer or voting of any securities of any Subsidiary of Hughes, nor are there outstanding any securities which are convertible into or exchangeable for any shares of capital stock or membership interests of any Subsidiary of Hughes; and no Subsidiary of Hughes has any obligation of any kind to issue any additional securities or to pay for securities of Hughes or any Subsidiary of Hughes or any predecessor of any of the foregoing.

5.3 Corporate Power and Authority. Hughes has (or will have prior to execution thereof) all requisite corporate power and authority to enter into the Hughes Transaction Agreements and to consummate the transactions contemplated thereby. The execution and delivery of each of the Hughes Transaction Agreements by Hughes and the consummation of the transactions contemplated thereby to be effected by Hughes have been (or will be prior to execution and delivery thereof) duly authorized by all necessary corporate action on the part of Hughes. Each of the Hughes Transaction Agreements has been (or will be) duly executed and delivered by Hughes and, assuming the due authorization, execution and delivery by the other parties thereto, constitutes (or will constitute when executed) the legal, valid and binding obligation of Hughes, enforceable against Hughes in accordance with its terms, except as enforceability may be limited by bankruptcy, similar laws of debtor relief and general principles of equity.

5.4 Capitalization.

(a) As of the date of this Agreement, Hughes’ authorized capital stock consists of (i) 2,500,000,000 shares of Hughes Common Stock, (ii) 2,500,000,000 shares of Hughes Class B Common Stock and (iii) 9,000,000 shares of Preferred Stock, par value \$0.10 per share. As of the date hereof, (i) 1,395,127,000 shares of Hughes Common Stock were issued and outstanding, (ii) 86,764,553 shares of Hughes Class B Common Stock were issued and outstanding and (iii) no shares of Hughes Common Stock or Hughes Class B Common Stock were held by Hughes as treasury shares.

(b) Each outstanding share of Hughes capital stock is duly authorized and validly issued, fully paid and nonassessable, and has not been issued in violation of any preemptive or similar rights. Each outstanding share of Hughes capital stock is owned by GM. Hughes has no authorized or outstanding bonds, debentures, notes or other obligations or securities, the holders of which have (or upon the occurrence of certain specified events would have) the right to vote with the stockholders of Hughes on any matter.

(c) Other than as contemplated by the Hughes Transaction Agreements or as set forth in Section 5.4(c) of the Hughes Disclosure Schedule, (i) there are no outstanding subscriptions, options, warrants, puts, calls, agreements, understandings, claims or other commitments or rights of any type relating to the issuance, sale or transfer of any securities of Hughes, nor are there outstanding any securities which are convertible into or exchangeable for any shares of capital stock of Hughes and (ii) Hughes has no obligation of any kind to issue any additional securities or to pay for securities of Hughes or any predecessor or affiliate. The issuance and sale of all of the shares of capital stock described in this Section 5.4 have been in compliance with federal and state securities laws. Section 5.4(c) of the Hughes Disclosure Schedule accurately sets forth the number of shares of GM Class H Common Stock issuable upon exercise of options to purchase shares of GM Class H Common Stock as of the date hereof, and the exercise prices with respect thereto, along with a list of the options to purchase shares of GM Class H Common Stock held by each corporate officer of Hughes and any of its Subsidiaries. Except as set forth in Section 5.4(c) of the Hughes Disclosure Schedule or as contemplated by the Separation Agreement, Hughes has not agreed to register any securities under the Securities Act or under any state securities law or granted registration rights with respect to any securities of Hughes to any Person.

(d) Section 5.4(d) of the Hughes Disclosure Schedule sets forth, as of the date hereof, a list and description of all dividends and distributions declared or issued by Hughes and each of its Subsidiaries since January 1, 2002.

5.5 Conflicts, Consents and Approvals. Except as set forth in Section 5.5 of the Hughes Disclosure Schedule, the execution and delivery of the Hughes Transaction Agreements by Hughes and GM and the consummation of the transactions contemplated thereby will not:

(a) violate any provision of the certificate of incorporation (in the case of Hughes, as the same may be amended by the Hughes Charter Amendment in accordance with this Agreement) or by-laws (in the case of Hughes, as the same may be amended by the Hughes By-laws Amendment in accordance with this Agreement) (or equivalent organizational documents) of Hughes or any of its Subsidiaries;

(b) violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with the giving of notice, the passage of time or both, would constitute a default) under, require the consent of any party under, or entitle any party (with the giving of notice, the passage of time or both) to terminate,

accelerate, modify or call a default under, or result in the creation of any Encumbrance (other than a Permitted Encumbrance) upon any of the properties or assets of Hughes or any of its Subsidiaries under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, intellectual property or other license, contract, undertaking, agreement, lease or other instrument or obligation to which Hughes or any of its Subsidiaries is a party;

(c) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Hughes or any of its Subsidiaries; or

(d) except as contemplated by the Hughes Transaction Agreements, require any consent or approval of, or registration or filing by Hughes or any of its Affiliates with, any third party or Governmental Authority, other than (i) authorization for listing on the NYSE of the shares of Surviving Corporation Common Stock to be issued in connection with the Split-Off and the Merger, (ii) actions required by the HSR Act and the competition laws of foreign jurisdictions, (iii) registrations or other actions required under federal, state and foreign securities laws as are contemplated by this Agreement, and (iv) notifications to or applications for consent from Governmental Authorities required with respect to the Hughes Permits ;

except in the case of (b), (c) and (d) for any of the foregoing that, in the aggregate, (i) would not reasonably be expected to have a material adverse impact on the ability of Hughes to consummate the transactions contemplated by the Hughes Transaction Agreements and (ii) have not had and would not reasonably be expected to have a Hughes Material Adverse Effect.

5.6 Hughes SEC Documents.

(a) Hughes and each of its Significant Subsidiaries has timely filed with the SEC all required reports, filings, registration statements and other documents required to be filed by them with the SEC since January 1, 2002.

(b) As of its filing date, or as amended or supplemented prior to the date hereof, each Hughes SEC Document and each SEC Document of its Significant Subsidiaries complied (and each Hughes SEC Document filed after the date of this Agreement will comply) as to form in all material respects with the applicable requirements of the Exchange Act and the Securities Act.

(c) No Hughes SEC Document nor any SEC Document of its Significant Subsidiaries, as of its filing date, contained any untrue statement of a material fact or omitted to state any material fact (and no Hughes SEC Document nor any SEC Document of its Significant Subsidiaries filed after the date of this Agreement will contain any untrue statement of a material fact or omit to state any material fact) necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

5.7 Financial Statements; Liabilities. (a) The audited financial statements of Hughes included in the Hughes 10-K (including any related notes or schedules) fairly present in all material respects (and the audited financial statements and unaudited interim financial statements of Hughes included in the Hughes SEC Documents filed after the date of this Agreement will fairly present in all material respects), in accordance with GAAP (except as may be indicated in the notes thereto), the consolidated financial position of Hughes and its consolidated Subsidiaries as of the dates thereof and its consolidated results of operations and changes in financial position for the respective periods then ended (subject to normal year-end adjustments and lack of footnote disclosure in the case of any unaudited interim financial statements).

(b) The audited financial statements of PanAmSat included in the PanAmSat 10-K (including any related notes or schedules) fairly present in all material respects, in accordance with GAAP (except as may be indicated in the notes thereto), the consolidated financial position of PanAmSat and its consolidated Subsidiaries as of the dates thereof and its consolidated results of operations and changes in financial position for the respective periods then ended (subject to normal year-end adjustments and lack of footnote disclosure in the case of any unaudited interim financial statements).

(c) Hughes and its Subsidiaries have no liabilities or obligations of any kind whatsoever, whether known or unknown, asserted or unasserted, accrued, contingent, absolute, determined, determinable or otherwise, in each case, other than:

(i) liabilities or obligations disclosed or provided for in the consolidated balance sheet of Hughes included in the Hughes 10-K or disclosed in the notes thereto or in the consolidated balance sheet of PanAmSat included in the PanAmSat 10-K or disclosed in the notes thereto;

(ii) liabilities or obligations incurred since December 31, 2002 in the ordinary course of business;

(iii) liabilities or obligations under the Hughes Transaction Agreements or incurred in connection with the transactions contemplated thereby;

(iv) liabilities or obligations of Hughes or its Subsidiaries under the agreements, contracts, leases, licenses to which it is a party that would be required by GAAP to be reflected on or reserved against on the balance sheet of Hughes included in the Hughes 10-K or of PanAmSat included in the PanAmSat 10-K and which are so reflected or reserved against thereon;

(v) as set forth in Section 5.7 of the Hughes Disclosure Schedule; and

(vi) other liabilities or obligations which, in the aggregate, have not had and would not reasonably be expected to have a Hughes Material Adverse Effect, or have a material adverse impact on the ability of Hughes to consummate the transactions contemplated by the Hughes Transaction Agreements.

5.8 Absence of Certain Changes. Except as set forth in Section 5.8 of the Hughes Disclosure Schedule and except as contemplated by the Hughes Transaction Agreements, since December 31, 2002, there has not been one or more events, changes, circumstances or effects that, in the aggregate, have had or would reasonably be expected to have (i) a Hughes Material Adverse Effect or (ii) a material adverse impact on the ability of Hughes to consummate the transactions contemplated by the Hughes Transaction Agreements.

5.9 Compliance with Law. Except as set forth in Section 5.9 of the Hughes Disclosure Schedule, Hughes and its Subsidiaries are in compliance with, and at all times since January 1, 2002 have been in compliance with, all Applicable Laws relating to them or their businesses or properties, except for failures to be in compliance therewith that, in the aggregate, have not had and would not reasonably be expected to have a Hughes Material Adverse Effect or have a material adverse impact on the ability of Hughes to consummate the transactions contemplated by the Hughes Transaction Agreements.

5.10 Litigation. Except as set forth in Section 5.10 of the Hughes Disclosure Schedule, there is no Action pending or, to the Knowledge of Hughes, threatened against Hughes or any of its Subsidiaries or its or their properties (a) in respect of which, as of the date hereof, the adverse party is asserting damages in excess of \$25,000,000.00 (Twenty-Five Million Dollars), or (b) which would reasonably be expected to have a material adverse impact on the ability of Hughes to consummate the transactions contemplated by the Hughes Transaction Agreements.

5.11 Taxes. Except as would not have a Hughes Material Adverse Effect, (i) each of Hughes and its Subsidiaries has duly filed (or there have been filed on their behalf) all federal and material state, local and foreign Tax Returns (including those filed on a consolidated, combined or unitary basis) required to have been filed by it prior to the date hereof (taking into account extensions) and (ii) all of the foregoing Tax Returns, to the extent they relate to the income, assets or business of Hughes and its Subsidiaries, are true and correct in all material respects, and Hughes and its Subsidiaries have paid (or payment has been made on its behalf), or adequately reserved for, all Taxes required to be paid in respect of all periods covered by such Tax Returns.

5.12 Environmental and Safety Matters. Except as set forth in Section 5.12 of the Hughes Disclosure Schedule, and except for any facts, conditions or circumstances that, in the aggregate, have not had and would not reasonably be expected to have a Hughes Material Adverse Effect: (i) Hughes and its Subsidiaries are and have been in compliance with all applicable Environmental and Safety Requirements; (ii) no

property currently or, to the Knowledge of Hughes, formerly owned or operated by Hughes or any of its Subsidiaries has been contaminated with any substance that would require investigation or remediation pursuant to any Environmental and Safety Requirements; (iii) neither Hughes nor any of its Subsidiaries is subject to any liability for any waste disposal or contamination on any third party property; (iv) neither Hughes nor any of its Subsidiaries has received any notice, demand, letter, claim or request for information indicating that it may be in violation of, or subject to liability with respect to, any Environmental and Safety Requirements; (v) neither Hughes nor any of its Subsidiaries is subject to any outstanding order, decree, injunction or other arrangement with any Governmental Authority or any indemnity or other agreement with any other party relating to any Environmental and Safety Requirements and for which Hughes or any of its Subsidiaries retains any liability or obligation; (vi) to the Knowledge of Hughes, there are no other circumstances or conditions involving Hughes or any of its Subsidiaries that would result in any claims against, or liability, investigations or costs of, Hughes or any of its Subsidiaries in connection with any Environmental and Safety Requirements; and (vii) Hughes has made available to the Purchaser copies of all material environmental reports, studies, assessments and sampling data relating to Hughes and its Subsidiaries or that relates to the current Hughes business or for which indemnification does not exist and which are in the possession, custody or control of Hughes.

5.13 Employee Benefit Plans. All “employee benefit plans” within the meaning of Section 3(3) of ERISA, and all employment, retention, change of control agreements and all retirement, severance, disability, cafeteria (section 125), life insurance, health, deferred compensation, stock option, stock purchase, stock appreciation rights, stock based, incentive and bonus plans, contracts, policies or arrangements covering current or former employees or directors of Hughes and its Subsidiaries (the “Hughes Plans”) are listed in Section 5.13 of the Hughes Disclosure Schedule. Except as set forth in Section 5.13 of the Hughes Disclosure Schedule, no Hughes Plans cover, or provide benefits to, employees of GM or its Subsidiaries (other than Hughes and its Subsidiaries). Except as set forth in Section 5.13 of the Hughes Disclosure Schedule, all Hughes Plans are in compliance with, and have been administered and operated in accordance with, the terms of such Hughes Plans and Applicable Law including ERISA and the Code, except for any failure to so comply, operate or administer the Hughes Plans that would not have a Hughes Material Adverse Effect. With respect to each Hughes Plan, a complete and correct copy of the most recent plan document or agreement, all related trust and funding documents, and all amendments thereto; the most recent summary plan description, and all related summaries of material modifications; and all actuarial and financial reports for the last three plan years, where applicable, have been provided or made available to the Purchaser. The Internal Revenue Service has issued a determination letter to the effect that each such Hughes Plan which is intended to be “qualified” within the meaning of Section 401(a) or 501(c)(9) of the Code is so qualified. Neither Hughes nor any of its Subsidiaries has engaged in a transaction with respect to any Hughes Plan that, assuming the taxable period of such transaction expired as of the date hereof, could subject Hughes

or any of its Subsidiaries to a tax or penalty imposed by either Section 4975 of the Code or Section 502(i) of ERISA, except for any tax or penalty which would not have a Hughes Material Adverse Effect. No liability under Subtitle C or D of Title IV of ERISA has been or is expected to be incurred by Hughes or any of its Subsidiaries with respect to any ongoing, frozen or terminated “single-employer plan”, within the meaning of Section 4001(a)(15) of ERISA, currently or formerly maintained by any of them, or the single-employer plan of any entity which is considered one employer with Hughes under Section 4001 of ERISA or Section 414 of the Code (a “Hughes ERISA Affiliate”), except as set forth in Section 5.13 of the Hughes Disclosure Schedule or for any liability that would not have a Hughes Material Adverse Effect. Hughes and its Subsidiaries have not incurred and do not expect to incur any withdrawal liability with respect to a multiemployer plan under Subtitle E of Title IV of ERISA (regardless of whether based on contributions of a Hughes ERISA Affiliate), except for any liability that would not have a Hughes Material Adverse Effect. Except as set forth in Section 5.13 of the Hughes Disclosure Schedule no event which constitutes a “reportable event” as defined in Section 4043 of ERISA has occurred with respect to any Hughes Plan subject to Title IV of ERISA which presents a material risk of the termination or partial termination of any such Hughes Plan or would result in a Hughes Material Adverse Effect. Except as set forth in Section 5.13 of the Hughes Disclosure Schedule, no audit, claim, action or litigation has been made, commenced or, to the Knowledge of Hughes, threatened with respect to any Hughes Plan that, if adversely determined, would have a Hughes Material Adverse Effect. Neither Hughes nor any of its Subsidiaries has any obligations for continuing coverage for retiree health and life benefits (other than as required under Part 6 of Title I of ERISA or other similar obligations under Applicable Law) under any Hughes Plan, except as listed in Section 5.13 of the Hughes Disclosure Schedule. Hughes or its Subsidiaries may amend or terminate any such retiree plan at any time without incurring any liability thereunder except for any liability which would not have a Hughes Material Adverse Effect or as set forth in Section 5.13 of the Hughes Disclosure Schedule. Except as set forth in Section 5.13 of the Hughes Disclosure Schedule, neither the execution of this Agreement, stockholder approval of this Agreement nor the consummation of the transactions contemplated hereby will (w) entitle any employee of Hughes or any of the Subsidiaries to severance pay or any increase in severance pay upon any termination of employment after the date hereof, (x) accelerate the time of payment or vesting or trigger any payment or funding (through a grantor trust or otherwise) of compensation or benefits under, increase the amount payable or trigger any other material obligation pursuant to the terms of, any of the Hughes Plans, (y) limit or restrict the right of Hughes to merge, amend or terminate any of the Hughes Plans, or (z) cause Hughes or any of its Subsidiaries to record additional compensation expense on its income statement with respect to any outstanding stock option or other equity-based award. Except as set forth in Section 5.13 of the Hughes Disclosure Schedule, neither Hughes nor any of its Subsidiaries has any labor unions, trade unions, or employee associations. Neither Hughes nor any of its Subsidiaries is a party to any collective bargaining agreements or other agreements with any labor unions, trade unions, or employee associations.

5.14 Intellectual Property.

(a) Hughes and its Subsidiaries own or have a valid right to use each item of Intellectual Property used or held for use by Hughes or any of its Subsidiaries, except for failures to own or have valid rights to use, that in the aggregate, have not had, and would not reasonably be expected to have, a Hughes Material Adverse Effect. Except as set forth in Section 5.14(a) of the Hughes Disclosure Schedule, each material item of Hughes Intellectual Property is owned or licensed by the respective businesses of Hughes and its Subsidiaries to no less advantageous extent in all material respects as during the twelve (12) months prior to the date hereof. Hughes and its Subsidiaries have taken all commercially reasonable action to maintain and protect their rights in and to each material item of Hughes Intellectual Property.

(b) Except as set forth in Section 5.14(b) of the Hughes Disclosure Schedule: (i) neither Hughes nor any of its Subsidiaries has received any written claim or notice of infringement or misappropriation of, or conflict with, the Intellectual Property rights of others, other than such as, in the aggregate, would not have a Hughes Material Adverse Effect; (ii) none of GM, Hughes or any of Hughes' Subsidiaries has provided any third party any written claim or notice that such third party has infringed upon, misappropriated, or otherwise come into conflict with, any Hughes Intellectual Property; and (iii) Hughes and its Subsidiaries possess all right, title, and interest in and to, or have a legal, valid, binding and enforceable right to use, each material item of Intellectual Property used or held for use by Hughes or any of its Subsidiaries, free and clear of all Encumbrances.

(c) The Hughes Intellectual Property is sufficient to conduct, in all material respects, the respective businesses of Hughes and its Subsidiaries after the Closing as such businesses were conducted immediately prior to the Closing.

5.15 Contracts. Except as set forth in Section 5.15 of the Hughes Disclosure Schedule, each material lease, license, contract, agreement or obligation to which Hughes or any of its Subsidiaries is a party or by which any of them or any of their properties may be bound is valid, binding and enforceable and in full force and effect, except where such failures to be valid, binding and enforceable and in full force and effect, in the aggregate, have not had and would not reasonably be expected to have a Hughes Material Adverse Effect or have a material adverse impact on the ability of Hughes to consummate the transactions contemplated by the Hughes Transaction Agreements. Neither Hughes nor any of its Subsidiaries is in breach of or default under any such lease, license, contract, agreement or obligation, and, to Hughes' Knowledge, no other party thereto is in breach of or default thereunder, except for those breaches and defaults that, in the aggregate, have not had and would not reasonably be expected to have a Hughes Material Adverse Effect or have a material adverse impact on the ability of Hughes to consummate the transactions contemplated by the Hughes Transaction Agreements.

5.16 Brokerage and Finder's and Other Fees; Opinions of Financial Advisors.

(a) Except for obligations to the Hughes Financial Advisors, neither Hughes nor any of its affiliates, stockholders, directors, officers or employees (in each case, other than GM) has incurred or will incur on behalf of Hughes or any affiliate of Hughes, any brokerage, finder's or similar fee in connection with the transactions contemplated by the Hughes Transaction Agreements. Copies of all agreements relating to any such fee payable by Hughes or any Subsidiary of Hughes to the Hughes Financial Advisors have been (or upon request will be) delivered to the Purchaser.

(b) The Board of Directors of Hughes has received the Hughes Financial Advisor Fairness Opinions. GM and Hughes have heretofore provided, or will provide, a copy of such opinions to the Purchaser, for information purposes only, and the Purchaser acknowledges that it has no right to rely on such opinions. As of the date of this Agreement, each such opinion has not been withdrawn, revoked or modified.

5.17 Board and Stockholder Approval. The Board of Directors of Hughes, at a meeting duly called and held, has duly determined that the Hughes Transaction Agreements and the transactions contemplated thereby are advisable, fair to and in the best interests of Hughes and its stockholders and has authorized the Hughes Transaction Agreements to be executed, delivered and performed. Immediately following the execution of this Agreement and such determinations, GM, in its capacity as sole stockholder of Hughes, shall have, at a meeting of the sole stockholder, adopted and approved this Agreement (and the execution, delivery and performance thereof) and the other Hughes Transaction Agreements and the transactions contemplated hereby and thereby. Other than the approvals of GM as described in the immediately preceding sentence and the approval of the Hughes Transaction Agreements by GM, no other vote or consent of the holders of any class or series of Hughes capital stock is necessary to approve and adopt this Agreement and the transactions contemplated by the Hughes Transaction Agreements (it being expressly understood, however, that the Requisite Stockholder Approval of the Requisite Vote Matters is necessary to approve the Transactions).

5.18 Takeover Laws. Prior to the date hereof, the Board of Directors of Hughes has taken all action, if any, necessary to exempt (a) the execution of the Hughes Transaction Agreements and (b) the transactions contemplated thereby under, or make the foregoing actions not subject to (i) any takeover law or law that purports to limit or restrict business combinations or the ability to acquire or vote shares and (ii) any stockholder rights plan or any similar anti-takeover plan or device.

5.19 Restrictive Agreements. Except as set forth in Section 5.19 of the Hughes Disclosure Schedule, none of Hughes, its Subsidiaries or any employee, officer, director or consultant of Hughes or its Subsidiaries is party to or bound by any agreement, contract, document, instrument, arrangement or commitment that materially limits, or would materially limit after the Closing, the ability of either Hughes or any of

its Subsidiaries or, to Hughes' Knowledge, the Purchaser or any of Purchaser's Subsidiaries, to compete in any line of business or with any Person or in any geographic area.

5.20 Permits. For the purposes of this Agreement, the "Hughes Permits" shall mean all permits, approvals, authorizations, certificates, consents, franchises, licenses, concessions and rights ("Permits") issued or authorized by any Governmental Authority (as amended or modified) to, or held by, Hughes or any of its Subsidiaries (together, "Hughes Permit Entities"), including (a) all Permits issued by the Federal Communications Commission or any successor agency or any bureau or division thereof acting on delegated authority ("FCC") to any Hughes Permit Entity ("Hughes FCC Licenses") and (b) all Permits issued to any Hughes Permit Entity by any Governmental Authority other than the FCC authorizing such entity to operate channels of radio communication or provide broadcasting or other communications services (including the provision of direct-to-home video programming). Set forth on Section 5.20 of the Hughes Disclosure Schedule is a true and complete list, as of the date of this Agreement, of (i) all Hughes Permits, (ii) all pending applications for Permits that would be Hughes Permits, if issued or granted, and (iii) all pending applications by any Hughes Permit Entity for modification, extension or renewal of Hughes Permits, or waiver of any condition thereto, except that Section 5.20 of the Hughes Disclosure Schedule need not list such Hughes Permits, applications therefor or applications in respect thereof that are immaterial to the assets or business of Hughes or any of its Subsidiaries. The Hughes Permits set forth in Section 5.20 of the Hughes Disclosure Schedule are all of the Permits required to be issued to or held by the Hughes Permit Entities in order to allow such entities to conduct their respective businesses as currently conducted and the Hughes Permits are validly held and in full force and effect, except where the failures to possess any such Permit or the failure of any such Permit to be validly held or in full force and effect, in the aggregate, have not had and would not reasonably be expected to have a Hughes Material Adverse Effect. Without limiting the general provisions of Section 5.9, except as set forth on Section 5.20 of the Hughes Disclosure Schedule, each of the Hughes Permit Entities is in compliance with (i) its obligations under each of the Hughes Permits owned, held or possessed by it, and (ii) the rules and regulations of the Governmental Authority issuing such Hughes Permit, except where the failure to so comply, in the aggregate, would not have a Hughes Material Adverse Effect. Except as set forth on Section 5.20 of the Hughes Disclosure Schedule and except for rulemaking or other proceedings of general applicability, to Hughes' Knowledge, there is not pending or threatened before the FCC or any other Governmental Authority any proceeding, notice of violation, order of forfeiture or complaint, or investigation against any Hughes Permit Entity relating to any of the Hughes Permits that have had or would reasonably be expected to have a Hughes Material Adverse Effect. Without limiting the general provisions of Section 5.5, Section 5.5(d) of the Hughes Disclosure Schedule lists all of the consents or approvals of, or registrations or filings by Hughes or its Subsidiaries with, any Governmental Authority necessary in connection with the consummation of the Transactions with respect to the Hughes Permits, except that Section 5.5(d) of the Hughes Disclosure Schedule need not list consents, approvals,

registrations or filings with respect to Hughes Permits that, when taken together, are immaterial to the assets or business of Hughes and its Subsidiaries taken as a whole.

5.21 Tax Representations. Hughes currently believes that it will be able to make any representation, warranty or covenant which is reasonably likely to be requested by the IRS in connection with the Ruling Request.

5.22 Information for Inclusion in the Proxy/Consent Solicitation Statement, the Registration Statements and Other Filings. None of the information provided by or on behalf of Hughes or any Hughes Affiliate (except to the extent it constitutes information provided by or on behalf of GM or any GM Affiliate) for inclusion in (i) the Proxy/Consent Solicitation Statement, at the date of mailing and at the date of voting or consent and approval with respect thereto, (ii) the Registration Statements, at the time they become effective, and (iii) any other Disclosure Document, at the date of such Disclosure Document, shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The information in the Proxy/Consent Solicitation Statement, the Registration Statements and any other Disclosure Document provided by or on behalf of Hughes or any Hughes Affiliate (except to the extent it constitutes information provided by or on behalf of GM or any GM Affiliate) will comply as to form in all material respects with the provisions of the Securities Act and the Exchange Act, as applicable. No representation or warranty is made by Hughes in this Section 5.22 with respect to statements made or incorporated by reference therein based on information provided by or on behalf of GM or any GM Affiliate or the Purchaser or any Purchaser Affiliate for inclusion in the Proxy/Consent Solicitation Statement, the Registration Statements or any other Disclosure Document.

5.23 Real Estate. Section 5.23 of the Hughes Disclosure Schedule sets forth a complete and accurate list of each parcel of real property that Hughes or its Subsidiaries purports to own, lease, license, use, or occupy, and that consists of more than thirty thousand (30,000) square feet of space or upon which an uplink, ground station, broadcasting facility, transmission facility or reception facility is located (each, a "Material Real Property"). Complete and accurate copies of all material agreements relating to the ownership, occupancy, or use of the Material Real Properties have been made available to the Purchaser. Each of Hughes and its Subsidiaries: (a) has good and marketable (or indefeasible in jurisdictions where the term "marketable" is not customarily used) title in fee simple (or freehold estate in jurisdictions where the term "fee simple" is not customarily used) to the real property Hughes or its Subsidiaries purports to own; and (b) has valid and subsisting leasehold interests in all of the leased real property Hughes or its Subsidiaries purports to lease, in each case free and clear of any Encumbrances, other than Permitted Encumbrances and Encumbrances which have not had and would not reasonably be expected to have, in the aggregate, a Hughes Material Adverse Effect. Each parcel of real property owned or leased by Hughes or its Subsidiaries (including all buildings, structures, improvements and fixtures located thereon, thereunder, thereover or therein, and all appurtenances thereto and other aspects

thereof): (i) is in good operating condition and repair and is structurally sound and free of defects, with no alterations or repairs being required thereto under Applicable Law or insurance company requirements; and (ii) is otherwise suitable, sufficient, adequate and appropriate in all respects (including physical, structural, operational, legal, practical and otherwise) for its current use, operation and occupancy, and for the conduct of Hughes' and its Subsidiaries' businesses as currently conducted, except, in each such case, for such failures to meet such standards as have not had and would not be reasonably expected to have, in the aggregate, a Hughes Material Adverse Effect. No Material Real Property of Hughes or any of its Subsidiaries is subject to any sales contracts, option, right of first refusal or similar agreement or arrangement with any third party, other than those which have not had and would not reasonably be expected to have, in the aggregate, a Hughes Material Adverse Effect. No condemnation, eminent domain, or similar proceeding exists, is pending or, to the Knowledge of Hughes, is threatened, with respect to or that would affect, any Material Real Property of Hughes or its Subsidiaries, except for such proceedings as have not had and would not reasonably be expected to have, in the aggregate, a Hughes Material Adverse Effect. Neither Hughes nor any of its Subsidiaries has given, nor have they received, any notice that a breach or an event of default exists, and to the Knowledge of Hughes, no condition or event has occurred that with the giving of notice or the lapse of time or both, would constitute a breach or event of default, by Hughes or any of its Subsidiaries or any other Person, with respect to any agreements, contracts, arrangements, deeds, options, deeds of trust, mortgages, leases, covenants, conditions, restrictions, easements or other documents granting to Hughes or any of its Subsidiaries title to or an interest or right in, or otherwise affecting, real property, except for such breaches and events of defaults as have not had and would not be reasonably expected to have, in the aggregate, a Hughes Material Adverse Effect.

5.24 Limitation on Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, HUGHES MAKES NO REPRESENTATION OR WARRANTY TO THE PURCHASER, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, WITH RESPECT TO THE SHARES, GM, HUGHES OR ANY SUBSIDIARY OF HUGHES, INCLUDING WITH RESPECT TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. ALL REPRESENTATIONS OR WARRANTIES NOT EXPRESSLY SET FORTH IN THIS AGREEMENT ARE HEREBY DISCLAIMED, AND THE PURCHASER ACKNOWLEDGES THAT IT IS NOT RELYING ON ANY REPRESENTATION OR WARRANTY OF HUGHES NOT EXPRESSLY SET FORTH IN THIS AGREEMENT.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby represents and warrants to GM and Hughes as follows, except as described in the Purchaser's annual report on Form 20-F for the fiscal year ended June 30, 2002 and filed with the SEC on December 31, 2002 (the "Purchaser 20-F") and all other reports, filings, registration statements and other documents (collectively, the "Purchaser Filings") filed by the Purchaser with the SEC, the Australian

Stock Exchange Limited (the "ASX") and the Australian Securities and Investments Commission after June 30, 2002 and prior to the date hereof (as such documents have been amended since the time of their filing and prior to the date hereof), all of which are of public record (it being understood that the representations and warranties of the Purchaser set forth in this Article VI shall not be qualified by any risk factor disclosure in the Purchaser Filings).

6.1 Organization and Good Standing. The Purchaser is a corporation validly existing and in good standing under the laws of Australia (to the extent that such concepts or equivalent concepts are recognized in such jurisdiction) with all corporate power to carry on its business as now conducted. Merger Sub is a newly formed corporation validly existing and in good standing under the laws of the State of Delaware. Each of the Purchaser and Purchaser's Subsidiaries is duly qualified to do business and is in good standing (to the extent that such concepts or equivalent concepts are recognized in such jurisdictions) in each jurisdiction in which the nature of the business conducted by it or the property it owns, leases or operates makes such qualification necessary, except where the failure to be so qualified or in good standing in such jurisdiction has not had and would not reasonably be expected to have a Purchaser Material Adverse Effect or have a material adverse impact on the Purchaser's ability to consummate the transactions contemplated by this Agreement.

6.2 Corporate Power and Authority.

(a) The Purchaser has (or will have prior to execution thereof) all requisite corporate power and authority to execute and deliver this Agreement, the Merger Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement or the Merger Agreement or to be executed by the Purchaser in connection with the consummation of the transactions contemplated hereby and thereby (the "Purchaser Documents"), and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Purchaser Documents by the Purchaser and the consummation of the transactions contemplated by this Agreement and the Purchaser Documents to be effected by the Purchaser have been (or will be prior to execution and delivery thereof) duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement and each of the Purchaser Documents have been (or will be) duly executed and delivered by the Purchaser and, assuming the due authorization, execution and delivery by the other parties hereto and thereto, constitute (or will constitute when executed) legal, valid and binding obligations of the Purchaser, enforceable against the Purchaser in accordance with their respective terms, except as enforceability may be limited by bankruptcy, similar laws of debtor relief and general principles of equity.

(b) Merger Sub has all requisite corporate power and authority to enter into the Merger Agreement and to consummate the Merger contemplated thereby. The execution and delivery of the Merger Agreement by Merger Sub and the consummation of the Merger and other transactions contemplated thereby to be effected by Merger Sub have been duly authorized by all necessary corporate action on the part of

Merger Sub. The Merger Agreement has been duly executed and delivered by Merger Sub and, assuming the due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of Merger Sub, enforceable against Merger Sub in accordance with its terms, except as enforceability may be limited by bankruptcy, similar laws of debtor relief and general principles of equity.

6.3 Conflicts; Consents and Approvals. Except as set forth on Section 6.3 of the disclosure schedule delivered by the Purchaser to GM and Hughes and dated as of the date hereof (the "Purchaser Disclosure Schedule"), the execution and delivery by the Purchaser of this Agreement and the Purchaser Documents, the execution and delivery by Merger Sub of the Merger Agreement and the consummation of the transactions contemplated hereby and thereby will not:

(a) violate any provision of the Purchaser's certificate of incorporation or by-laws (or equivalent organizational documents), Merger Sub's certificate of incorporation or Merger Sub's by-laws;

(b) violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with the giving of notice, the passage of time or both, would constitute a default) under, require the consent of any party under, or entitle any party (with the giving of notice, the passage of time or both) to terminate, accelerate, modify or call a default under, or result in the creation of any Encumbrance (other than a Permitted Encumbrance) upon any of the properties or assets of the Purchaser, Merger Sub or any of the Purchaser's Significant Subsidiaries under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, intellectual property or other license, contract, undertaking, agreement, lease or other instrument or obligation to which the Purchaser, Merger Sub or any of the Purchaser's Significant Subsidiaries is a party;

(c) violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Purchaser, Merger Sub or any of the Purchaser's Significant Subsidiaries; or

(d) require any consent or approval of, or registration or filing by the Purchaser or Merger Sub with, any third party or Governmental Authority, other than (i) with respect to the Purchaser Stock to be issued by the Depositary in connection with the Stock Sale or Merger, authorization for listing the shares of the Purchaser Stock on the NYSE, (ii) application for quotation on the ASX of the Preferred Limited Voting Ordinary Shares underlying the Purchaser Stock to be issued by the Depositary in the Stock Sale or Merger, (iii) actions required by the HSR Act and the competition laws of foreign jurisdictions, (iv) registrations or other actions required under federal, state and foreign securities laws as are contemplated by this Agreement or (v) notifications to or applications for consent from Governmental Authorities required with respect to the Hughes Permits;

except, in the case of (b), (c) and (d), for any of the foregoing that, in the aggregate, would not reasonably be expected to have a material adverse impact on the ability of the Purchaser and Merger Sub to consummate the transactions contemplated by this Agreement and the Purchaser Documents. Section 6.3(e) of the Purchaser Disclosure Schedule sets forth a list of all partners and other owners of equity in entities through which the Purchaser conducts its operations in Latin America from whom consent may be required in connection with the Transactions (collectively, the “Specified Foreign Persons”).

6.4 Capitalization of the Purchaser.

(a) As of April 4, 2003, the Purchaser’s capital stock consists of 2,095,999,003 issued and outstanding Ordinary Shares (“Ordinary Shares”) and 3,215,474,597 issued and outstanding Preferred Limited Voting Ordinary Shares (“Preferred Limited Voting Ordinary Shares”). As of April 4, 2003, 463,634,561 American Depositary Receipts (“American Depositary Receipts”) were on issue representing American Depositary Shares (“American Depositary Shares”) of the Purchaser (such American Depositary Shares are hereinafter referred to as the “Purchaser Stock”), each of which represents four (4) issued and outstanding Preferred Limited Voting Ordinary Shares of the Purchaser. Except as may be otherwise disclosed by the Purchaser to GM and Hughes prior to the first day during which the 20-Day Average Purchaser Stock Price is to be calculated pursuant to the Merger Agreement: (i) since April 4, 2003, there have been no changes (other than to the number of outstanding shares) to the Purchaser’s capital stock, including the classes and series; powers, designations, preferences and rights; qualifications, limitations and restrictions; and terms and provisions thereof; (ii) there is no stockholder rights plan issued by the Purchaser with respect to its securities; and (iii) the Purchaser has no authorized or outstanding bonds, debentures, notes or other obligations or securities, the holders of which have (or upon the occurrence of certain specified events would have) the right to vote with shareholders of the Purchaser on any matter. Each outstanding share of the Purchaser capital stock is duly authorized and validly issued, fully paid and non-assessable, and has not been issued in violation of any preemptive or similar rights.

(b) Each Preferred Limited Voting Ordinary Share to be issued and deposited by the Purchaser pursuant to the Deposit Agreement in connection with any Purchaser Stock to be issued by the Depository in connection with the Stock Sale and the Merger will be duly authorized and, when issued and delivered in accordance with the terms of this Agreement and the Merger Agreement, respectively, validly issued, fully paid and nonassessable, free and clear of all Encumbrances and will not be issued in violation of any preemptive or similar rights. The Purchaser Stock to be issued by the Depository in connection with the Stock Sale and the Merger will be issued under the terms of the Deposit Agreement. As of the Closing, the Deposit Agreement shall be a legal, valid and binding obligation of the Purchaser and the Depository, enforceable against the Purchaser and the Depository in accordance with its terms, except as enforceability may be limited by bankruptcy, similar laws of debtor relief and general principles of equity. Upon issuance by the Depository, as contemplated by this

Agreement and the Merger Agreement, the Purchaser Stock to be issued by the Depository in connection with the Stock Sale and the Merger shall be validly issued, and the registered holders thereof shall be entitled to the rights of a registered holder of the American Depositary Receipts evidencing such Purchaser Stock, as specified in the Deposit Agreement and in the American Depositary Receipts representing such Purchaser Stock, free and clear of all Encumbrances. As of the Closing, the Purchaser shall have (i) issued and allotted the Preferred Limited Voting Ordinary Shares underlying any Purchaser Stock to be issued by the Depository in connection with the Stock Sale and the Merger to Citicorp Nominees Pty Limited (the "Custodian") and made such entries in the register of members of the Purchaser as are required by the Australian Corporations Act to record the Custodian as a member of the Purchaser in respect of such Preferred Limited Voting Ordinary Shares, (ii) delivered to the Custodian such evidence as the Custodian reasonably requires confirming that such underlying Preferred Limited Voting Ordinary Shares have been issued to and registered in the name of the Custodian, (iii) obtained in principle approval from the ASX indicating that it will grant official quotation to any Preferred Limited Voting Ordinary Shares underlying any Purchaser Stock to be issued by the Depository in connection with the Stock Sale and the Merger and (iv) received authorization for listing of the Purchaser Stock to be issued by the Depository in connection with the Stock Sale and the Merger on the NYSE (subject to official notice of issuance).

6.5 Purchaser Filings.

(a) The Purchaser has timely filed and made available to GM and Hughes all required reports, filings, registration statements and other documents required to be filed by it with the SEC, the ASX, the Australian Securities and Investment Commission and any other applicable foreign securities regulatory authorities since January 1, 2002.

(b) As of its filing date, or as amended or supplemented prior to the date hereof, each Purchaser Filing complied (and each Purchaser Filing filed after the date of this Agreement will comply) as to form in all material respects with the applicable requirements of the Exchange Act, the Securities Act and any applicable foreign securities laws or regulations (except for the exclusion from the Purchaser 20-F of the financial statements of Gemstar-TV Guide International, Inc.).

(c) No Purchaser Filing, as of its filing date, contained any untrue statement of a material fact or omitted to state any material fact (and no Purchaser Filing filed after the date of this Agreement will contain any untrue statement of a material fact or omit to state any material fact) necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

6.6 Financial Statements. The audited financial statements and unaudited interim financial statements of the Purchaser included in the Purchaser Filings fairly present in all material respects (and the audited financial statements and unaudited

interim financial statements of the Purchaser included in the Purchaser Filings filed after the date of this Agreement will fairly present in all material respects), in accordance with Australian generally accepted accounting principles with appropriate reconciliation to GAAP (except as may be indicated in the notes thereto) as required by the rules of the SEC (except, in the case of unaudited statements, as permitted by forms or rules of the SEC), the consolidated financial position of the Purchaser and its consolidated Subsidiaries as of the dates thereof and its consolidated results of operations and changes in financial position for the respective periods then ended (subject to normal year-end adjustments and lack of footnote disclosure in the case of any unaudited interim financial statements).

6.7 Litigation. There is no Action pending or, to the knowledge of the Purchaser, threatened against the Purchaser, Merger Sub or their respective properties which would reasonably be expected to have a material adverse impact on the ability of the Purchaser and Merger Sub to consummate the transactions contemplated by this Agreement and the Purchaser Documents.

6.8 Investment Intention. The Purchaser is acquiring the Shares and the shares of Surviving Corporation Class B Common Stock (and, after the conversion following the Merger, Surviving Corporation Common Stock) for its own account, for investment purposes only and not with a view to the distribution (as such term is used in Section 2(11) of the Securities Act) thereof. The Purchaser understands that the Shares and the shares of Surviving Corporation Class B Common Stock (and, after the conversion following the Merger, Surviving Corporation Common Stock) have not been registered under the Securities Act and cannot be sold unless subsequently registered under the Securities Act or an exemption from such registration is available.

6.9 Financial Advisors.

(a) Except for obligations to Citigroup Global Markets Inc. and JP Morgan Securities Inc. (none of which will be the responsibility of Hughes or the Surviving Corporation), neither the Purchaser nor any Purchaser Affiliate, stockholder, director, officer or employee has incurred or will incur on behalf of the Purchaser or any Purchaser Affiliate, any brokerage, finder's or similar fee in connection with the transactions contemplated by this Agreement and the Purchaser Documents.

(b) The Board of Directors of the Purchaser has received the opinions of Citigroup Global Markets Inc. and JP Morgan Securities Inc. dated as of April 9, 2003, to the effect that, the consideration to be paid by Purchaser is fair, from a financial point of view, to Purchaser. The Purchaser has heretofore provided, or will provide, a copy of such opinion to GM for informational purposes only, and GM acknowledges that it has no right to rely on such opinion. As of the date of this Agreement, such opinion has not been withdrawn, revoked or modified.

6.10 Board and Stockholder Approval. The Boards of Directors of the Purchaser and Merger Sub, at meetings duly called and held, have duly determined that

this Agreement, the Merger Agreement and the transactions contemplated hereby and thereby are advisable, fair to and in the best interests of the Purchaser, Merger Sub and their respective stockholders and have authorized this Agreement and the Merger Agreement to be executed, delivered and performed. Immediately following the execution of this Agreement and such determinations, the Purchaser's Subsidiary NPAL, in its capacity as sole stockholder of Merger Sub, shall have, at a meeting of the sole stockholder, adopted and approved the Merger Agreement (and the execution, delivery and performance thereof) and the transactions contemplated thereby. Other than the approvals of NPAL as described in the immediately preceding sentence and the approval of this Agreement and the Merger Agreement by NPAL, no other vote or consent of the holders of any class or series of Merger Sub capital stock or class or series of NPAL's or the Purchaser's capital stock is necessary to approve and adopt this Agreement, the Merger Agreement and the transactions contemplated hereby and thereby.

6.11 Financing. The Purchaser has, and will have on the Closing Date, sufficient cash to purchase the Shares (to the extent the Purchase Price is to be paid in cash) and, in any case, to consummate the transactions contemplated by this Agreement, including payments of fees and expenses contemplated hereunder.

6.12 Tax Representations. The Purchaser currently believes that it will be able to make any representation, warranty or covenant which is reasonably likely to be requested by the IRS in connection with the Ruling Request.

6.13 Information for Inclusion in the Proxy/Consent Solicitation Statement, the Registration Statements and Other Filings. None of the information provided by or on behalf of the Purchaser or any Purchaser Affiliate for inclusion in (a) the Proxy/Consent Solicitation Statement, at the date of mailing and at the date of voting or consent and approval with respect thereto, (b) the Registration Statements, at the time they become effective and (c) any other Disclosure Document, at the date of such Disclosure Document, shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The information in the Proxy/Consent Solicitation Statement, the Registration Statements and any other Disclosure Document provided by or on behalf of the Purchaser or any Purchaser Affiliate will comply as to form in all material respects with the provisions of the Securities Act and the Exchange Act, as applicable. No representation or warranty is made by the Purchaser in this Section 6.13 or in Sections 6.5 and 6.6 hereof with respect to Gemstar-TV Guide International, Inc. or with respect to statements made or incorporated by reference therein based on information provided by or on behalf of GM or any GM Affiliate or Hughes or any Hughes Affiliate for inclusion in the Proxy/Consent Solicitation Statement, the Registration Statements or any other Disclosure Document.

6.14 Merger Sub.

(a) Merger Sub was formed solely for the purpose of engaging in the transactions contemplated hereby and by the other Transaction Agreements and has not taken any actions, engaged in any business activities, incurred any liabilities or obligations or conducted any operations other than in connection with (i) its formation or (ii) the transactions expressly contemplated by the Transaction Agreements. Merger Sub has no wholly or non-wholly owned subsidiaries.

(b) The authorized capital stock of Merger Sub consists of 3000 shares of common stock, par value \$ 0.01 per share (the "Merger Sub Common Shares"). There are issued and outstanding 100 Merger Sub Common Shares, all of which are owned by NPAL free and clear of all Encumbrances, and no other shares of capital stock of Merger Sub, or securities convertible into or exchangeable for capital stock of Merger Sub, are issued and outstanding. The Purchaser owns, directly or indirectly, all of the capital stock of NPAL.

6.15 Limitation on Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE PURCHASER MAKES NO REPRESENTATION OR WARRANTY TO GM OR HUGHES, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, WITH RESPECT TO THE PURCHASER OR ANY SUBSIDIARY OF THE PURCHASER, INCLUDING WITH RESPECT TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. ALL REPRESENTATIONS OR WARRANTIES NOT EXPRESSLY SET FORTH IN THIS AGREEMENT ARE HEREBY DISCLAIMED, AND EACH OF GM AND HUGHES ACKNOWLEDGES THAT IT IS NOT RELYING ON ANY REPRESENTATION OR WARRANTY OF THE PURCHASER NOT EXPRESSLY SET FORTH IN THIS AGREEMENT.

ARTICLE VII

THE TRANSACTIONS

7.1 GM Board Approval of the Transactions.

(a) GM's Board of Directors, at a meeting duly convened and held on April 9, 2003: (i) determined that, as of such date, the execution, delivery and performance of this Agreement and the Separation Agreement by GM and the consummation of the transactions contemplated hereby and thereby would be advisable, desirable and in the best interests of GM and its stockholders and that, as of such date, the Transactions, taken as a whole, on the terms and conditions of the Transaction Agreements, are fair to the holders of GM \$1-2/3 Common Stock and the holders of GM Class H Common Stock; (ii) approved this Agreement and the Separation Agreement and the transactions contemplated hereby and thereby; and (iii) determined, subject to its fiduciary duties under Applicable Law, to recommend and submit the Transactions,

including the GM Charter Amendment, to the holders of GM \$1-2/3 Common Stock and the holders of GM Class H Common Stock for their approval.

(b) In connection with this determination, each of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Bear, Stearns & Co. Inc. (the “GM Financial Advisors”) has provided its written opinion, dated as of such date and addressed to the Board of Directors of GM (the “GM Financial Advisor Fairness Opinions”), to the effect that, as of such date and taking into account all relevant financial aspects of the Transactions taken as a whole, the consideration to be provided to GM and the holders of GM Class H Common Stock, as applicable, in the Transactions is fair, from a financial point of view, to the holders of GM \$1-2/3 Common Stock as a class and to the holders of GM Class H Common Stock as a class, respectively. In addition, each of Goldman, Sachs & Co. and Credit Suisse First Boston Corporation (the “Hughes Financial Advisors”) has provided its written opinion, dated as of such date and addressed to the Board of Directors of GM and to the Board of Directors of Hughes, to the effect that, as of such date and based on current market conditions, the consideration to be received by the holders of Hughes Common Stock in the Merger is fair, from a financial point of view, to the holders of Hughes Common Stock as of immediately prior to the Merger (other than Purchaser and its Affiliates) (the “Hughes Financial Advisor Fairness Opinions”). The Purchaser acknowledges and agrees that GM may determine, in its sole and absolute discretion, to request additional opinions (or confirmations of non-withdrawal or updates with respect to the GM Financial Advisor Fairness Opinions and the Hughes Financial Advisor Fairness Opinions) from the GM Financial Advisors and the Hughes Financial Advisors in connection with the Transactions, including in connection with seeking the Requisite Stockholder Approval of the Requisite Vote Matters; provided, however, that the foregoing shall not affect in any manner GM’s obligations under Section 7.2 hereof or any provision of this Agreement; provided further, that, to the extent that GM’s Board of Directors deems appropriate, the foregoing may be taken into account for purposes of Section 7.2(b) hereof.

7.2 GM Stockholder Approval of the Transactions and the GM Charter Amendment.

(a) GM’s Obligations Relating to the Stockholder Approval Process. Subject in all cases to the other provisions of this Section 7.2 and to Section 7.3 below, GM shall, at such times as it shall reasonably determine, consistent with its obligations under Section 9.3 below, following the satisfaction or waiver of each and all of the conditions set forth in Section 7.3 below:

(i) take all action, in accordance with the U.S. federal securities laws, the DGCL, all other Applicable Law, its certificate of incorporation, its bylaws and the policy statement of its Board of Directors regarding certain capital stock matters (the “GM Board Policy Statement”, a copy of which has been heretofore provided to the Purchaser), necessary to present (A) the GM Charter Amendment (as a separate matter for approval), (B) the Hughes Certificate of Incorporation (as the same shall be amended pursuant to the

Hughes Charter Amendment), including the Excess Shares Provision (as a separate matter for ratification), (C) the Hughes Separation Transactions, including the Special Dividend (as a separate matter for approval and ratification, as applicable), (D) the Stock Sale (as a separate matter for ratification), (E) the Merger (as a separate matter for ratification) and (F) with the prior written consent of Purchaser (which consent shall not be unreasonably withheld or delayed), any other aspects of the Transactions determined by GM to be submitted for stockholder approval (collectively, the “Requisite Vote Matters”) to the holders of GM \$1-2/3 Common Stock and GM Class H Common Stock for their consideration and in order to seek the Requisite Stockholder Approval of the Requisite Vote Matters (it being understood and agreed that the Transactions are conditioned on the Requisite Stockholder Approval of all separate matters constituting part of the Requisite Vote Matters);

(ii) include in a proxy statement or consent solicitation statement (as determined by GM in its sole and absolute discretion) of GM to be distributed to GM’s common stockholders in connection with seeking the Requisite Stockholder Approval of the Requisite Vote Matters (as amended and supplemented from time to time, the “Proxy/Consent Solicitation Statement”) the recommendation of its Board of Directors in favor of the Requisite Vote Matters;

(iii) mail the Proxy/Consent Solicitation Statement to its common stockholders (the date on which such mailing is commenced being referred to herein as the “Mailing Date”); and

(iv) use reasonable best efforts, in accordance with the U.S. federal securities laws, the DGCL and all other Applicable Law, to solicit from its common stockholders entitled to vote thereon, as determined by GM in its sole and absolute discretion, either (A) proxies to be voted at a stockholders meeting or (B) written consents (or proxies for written consents) to be obtained in connection with a consent solicitation, in each case sufficient under Applicable Law to constitute the Requisite Stockholder Approval of the Requisite Vote Matters.

(b) Non-Recommendation Determination. If GM’s Board of Directors shall have determined, in good faith and upon advice of legal counsel, that, in accordance with its fiduciary duties under Applicable Law, either (i) it cannot or will not be able to recommend the Requisite Vote Matters to its common stockholders for their approval or (ii) after having recommended to its common stockholders approval of the Requisite Vote Matters, it is required to withdraw, revoke or modify in any adverse manner such recommendation (in either case, a “Non-Recommendation Determination”), GM shall promptly provide written notice thereof to the Purchaser (a “Notice of Non-Recommendation”), in which event GM shall not be required to take or continue any of the actions set forth in this Section 7.2, and the provisions of Sections 3.2(c)(ii) and 3.2(d)(ii) of this Agreement shall apply.

(c) [Intentionally Omitted.]

(d) Request for Confirmation. In the event that the conditions set forth in Section 7.3 have been satisfied for not less than ten (10) Business Days, and continue to be satisfied, but GM shall not have commenced the mailing of the Proxy/Consent Solicitation Statement, the Purchaser may from time to time make a written request (a “Confirmation Request”) that GM confirm in writing that, as of the date of such confirmation, GM’s Board of Directors continues to recommend the Requisite Vote Matters and has a good faith intention and is prepared to submit the Requisite Vote Matters to GM’s common stockholders in accordance with Section 7.2(a), and continues to take all actions in accordance with Section 9.3 in furtherance thereof, and is in compliance with Section 9.6 (a “Confirmation”); provided, that the Purchaser may not make any Confirmation Request within ten (10) Business Days after it has received a Confirmation. If the Purchaser delivers a Confirmation Request to GM in accordance with the preceding sentence, then either (i) GM shall provide a Confirmation to the Purchaser within five (5) Business Days following its receipt of the Confirmation Request (a “Confirmation Period”) or (ii) in the event that GM fails to provide a Confirmation to the Purchaser within the applicable Confirmation Period, GM shall be deemed to have delivered a Notice of Non-Recommendation as of the end of such Confirmation Period and the provisions of Section 3.2(d)(ii) of this Agreement shall apply.

7.3 Conditions to GM’s Obligations Relating to the Stockholder Approval Process. GM’s obligation to take the actions set forth in Section 7.2 is subject to the satisfaction of each and all of the following conditions (any of which, other than the condition set forth in Section 7.3(a), may be waived in whole or in part by GM, in its sole and absolute discretion, after consultation with the Purchaser):

(a) the United States Securities and Exchange Commission (the “SEC”) shall have declared the Registration Statements effective, all other required approvals and clearances of the Registration Statements and the Proxy/Consent Solicitation Statement shall have been received from the SEC and no stop order suspending the effectiveness of any of the Registration Statements shall be in effect, and no similar restraining order shall have been entered or threatened by the SEC with respect to the proxy/consent solicitation and/or registration relating to the Transactions;

(b) all applicable material state and foreign blue sky or securities permits or approvals required to mail the Proxy/Consent Solicitation Statement and take the other actions set forth in Section 7.2 above shall have been received in accordance with Applicable Law and no restraining order shall have been entered or threatened by any state securities administrator or any foreign securities administrator with respect to the proxy/consent solicitation and/or registration relating to the Transactions;

(c) GM (i) shall have received the Ruling, (ii) shall not have been notified by the IRS that the Ruling has been withdrawn, invalidated or modified in

an adverse manner, and (iii) shall not have been notified by the IRS, and shall not have otherwise reasonably determined, on the basis of an opinion of outside tax counsel, that there is a more than immaterial possibility that the consummation of the Split-Off will not be tax-free as contemplated by this Agreement; and

(d) GM shall not have reasonably determined, based on facts and circumstances arising after the date hereof, that there is a material risk that any or all of the conditions set forth in Sections 10.1(a), (b) and (c) hereof shall not be satisfied prior to the Outside Date, in which case GM shall promptly notify the Purchaser in writing (such notice, a “Notice of Non-Mailing”).

7.4 Recapitalization of Hughes.

(a) Prior to the Split-Off Effective Time, GM and Hughes shall take any and all such actions (pursuant to one or more transactions) as they shall reasonably determine so that GM shall hold, immediately prior to Split-Off Effective Time, a number of shares of Hughes Common Stock equal to the Split-Off Numerator and a number of shares of Hughes Class B Common Stock equal to the Split-Off Denominator minus the Split-Off Numerator. As a result, the aggregate number of shares of Hughes Common Stock and Hughes Class B Common Stock held by GM immediately prior to the Split-Off Effective Time shall be equal to the Split-Off Denominator.

(b) For the purposes of this Agreement, “Split-Off Numerator” means the numerator of the fraction described in Article Fourth, Division I, Section (a)(4) of the GM Certificate of Incorporation, as amended by the GM Charter Amendment, determined as of immediately prior to the Split-Off Effective Time and determined as of such point in time rather than as an average with respect to any accounting period. For the purposes of this Agreement, “Split-Off Denominator” means the denominator of the fraction (the “Class H Fraction”) described in Article Fourth, Division I, Section (a)(4) of the GM Certificate of Incorporation, as amended by the GM Charter Amendment, determined as of immediately prior to the Split-Off Effective Time and determined as of such point in time rather than as an average with respect to any accounting period.

Any determination of the Split-Off Numerator or the Split-Off Denominator shall be made by the GM Board of Directors in accordance with the preceding paragraph. Promptly following any determination by the GM Board of Directors of the Split-Off Numerator or the Split-Off Denominator pursuant to this Agreement, GM shall provide written notice thereof to the Purchaser (which notice shall include the computation thereof).

7.5 Split-Off of Hughes from GM.

(a) The parties agree that, immediately prior to the consummation of the Stock Sale as contemplated by this Agreement, (i) GM shall cause the Split-Off Fraction (expressed as a number) to be at least 0.80 (without rounding up),

but shall not cause such number to be increased beyond the minimum amount necessary to increase such number to 0.801, and (ii) GM and Hughes shall take all actions within their control legally required to effect the Hughes Common Stock Exchange in order to accomplish the Split-Off; provided that all conditions set forth in Article X (other than the consummation of the Hughes Common Stock Exchange) shall have been satisfied or waived and the parties shall be prepared to cause the consummation of the Stock Sale simultaneously with the consummation of the Split-Off at the Split-Off Effective Time. The parties agree that, notwithstanding any other provision of this Agreement, GM and Hughes are expressly permitted to take the actions contemplated in this Section 7.5(a).

(b) For the purposes of this Agreement, the following terms shall have the following meanings:

(i) “Hughes Common Stock Exchange” means the pro rata distribution at the Redemption Effective Time to the holders of GM Class H Common Stock of one share of Hughes Common Stock in exchange for each outstanding share of GM Class H Common Stock such that all of the outstanding shares of GM Class H Common Stock shall be redeemed and canceled in accordance with the terms of the GM Certificate of Incorporation, as amended pursuant to the GM Charter Amendment (it being understood and agreed that GM shall, simultaneously with the Hughes Common Stock Exchange, consummate the sale of the Shares to the Purchaser in accordance with the terms of this Agreement); and

(ii) “Split-Off Fraction” means the fraction obtained by dividing (A) the Split-Off Numerator by (B) the Split-Off Denominator.

7.6 Effects of the Split-Off. From and after the Split-Off Effective Time, the Split-Off shall have the effects specified in DGCL Section 151 and set forth in this Agreement.

(a) Exchange of Hughes Common Stock for GM Class H Common Stock. At and as of the Split-Off Effective Time, by virtue of the Split-Off and without any action on the part of GM, Hughes, any holder of capital stock of GM or any other Person, (i) for all purposes of determining the record holders of Hughes Common Stock, the holders of record of GM Class H Common Stock as of immediately prior to the Split-Off Effective Time shall be deemed to be holders of the shares of Hughes Common Stock distributed to such holders pursuant to the Hughes Common Stock Exchange and (ii) subject to any transfer of such stock, each such holder shall be entitled to receive all dividends payable on, and exercise voting rights and all other rights and privileges with respect to, the shares of Hughes Common Stock distributed to such holder pursuant to the Hughes Common Stock Exchange.

(b) Treasury Shares. At and as of the Split-Off Effective Time, by virtue of the Split-Off, without any action on the part of GM, Hughes, any holder of capital stock of GM or any other Person, each share of GM Class H Common