

entities formed under the laws of, World Trade Organization (WTO)-member countries. However, to this day, Inmarsat Global is contractually prohibited from selling its services directly to end-users, or from owning or controlling a distributor of its services. Inmarsat Global's current distribution agreements, which contain these contractual restrictions, expire in April 2009.

II. DETAILS OF THE TRANSACTION

Under the terms of the definitive agreement entered into between CIP UK, CIP Canada and Stratos Global, CIP Canada will purchase all of the shares of Stratos Global through a Plan of Arrangement under the Canada Business Corporations Act. The Plan of Arrangement will require approval by an Ontario court and by 66 2/3 percent of votes cast at a special meeting of the Stratos Global shareholders.

Upon completion of the transaction, the shares of Stratos Global will be held by the Trust. The Trust Agreement was developed, consistent with Commission policy: to ensure that the Trustee will have *de jure* and *de facto* control of Stratos. A copy of the Trust is attached as Appendix C. The Trust will hold title to, and exercise all voting rights in, the Stratos Global stock. The Trust Agreement expressly prohibits any communications between the CIP entities or the Inmarsat entities and the Trustee regarding the operation or management of Stratos. The Trustee has no direct or indirect familial ties or business relationships with CIP, apart from the Trust Agreement, or with Inmarsat.⁵ The Trust is irrevocable.⁶ The Trustee may be removed only upon a finding by an independent party that the Trustee has engaged in malfeasance,

⁴ See *Tender Offers and Proxy Contests*, 59 Rad. Reg. 2d 1536, 1579-1581, ¶¶ 62-65 (1986) ("*Tender Offer Policy Statement*").

⁵ See *id.* at 1579-1580, ¶ 63

⁶ See *id.* at 1563 n.123.

CIP has granted Inmarsat Finance a call option to acquire CIP CK in consideration for a payment of \$750,000. The call option is exercisable over a seventeen-month period beginning in April 2009, and ending on December 31, 2010. The exercise price for the call option will be between \$750,000 and \$1,000,000, depending on when the call option is exercised. Unless and until the call option is exercised and regulatory approvals are obtained, Inmarsat will not have any equity interest in Stratos, or control over its management or policies?

Subject to the receipt of government approvals, the Trust will terminate automatically on April 14, 2009.⁹ There are three different routes by which this may occur. First, Inmarsat Finance could exercise the call option to acquire CIP UK, at which time the Trustee will transfer the shares to CIP Canada. Second, even if the call option is not exercised by Inmarsat Finance, CIP Canada may acquire the shares. Third, if neither of those events has occurred because governmental approvals cannot be obtained, the Trustee will arrange for an investment bank to sell the shares through an auction process. Of course, all required FCC and other governmental approvals will be obtained prior to any change in control of Stratos through any of these routes.

A chart depicting the transaction structure is attached as Appendix D.

⁸ See, e.g., *WWOR-TV, Inc.*, 6 FCC Rcd 6569, n.13 (1991) (purchase options and other potential future rights are non-cognizable interests); see also 47 C.F.R. 73.3555, note 2(e) (“holders of debt and instruments such as warrants, convertible debentures, options or other non-voting interests shall not be attributed unless and until conversion is effected.”)

⁹ The Trust term will automatically extend if the Stratos Global shares have not been transferred out of the Trust by that date, for example, because government approvals have not yet been obtained. The Trust will then automatically terminate when the shares are transferred out of the Trust pursuant to receipt of all government approvals.

The Trustee may transfer the shares earlier than April 14, 2009 if the Trustee is provided with evidence that the contractual restrictions on Inmarsat Global owning or controlling Stratos no longer apply. In those circumstances, Inmarsat may exercise its option at that time.

III. GRANT OF THE PROPOSED TRANSACTION WILL SERVE THE PUBLIC INTEREST

Pursuant to Section 310(d) of the Communications Act of 1934, as amended (the “Act”), the Commission will approve a proposed transfer of control if, after weighing “the potential public interest harms [of the transaction] against the potential public interest benefits,” it concludes that, “on balance,” doing so would serve the public interest, convenience, and necessity.” Accordingly, where the potential harms from a proposed transaction are great, the potential benefits must be great; conversely, where the potential harms (if any) are small or limited, the potential benefits need only be of a similar scale.” As discussed below, the proposed transfer of control of Stratos to the Trust will provide public interest benefits with no offsetting public interest harms. The Commission therefore should grant this Application, and should do so expeditiously.

A. The Transfer of Control of Stratos to the Trust Will Promote the Public Interest

This Application seeks Commission consent solely for a transfer of control of Stratos from Stratos’ current shareholders to the Trust, for the duration of the Trust. In connection with the future dissolution of the Trust, Commission consent will be sought again for

¹⁰ See, e.g., *Loral Satellite, Inc. (Debtor-in-Possession) and Loral SpaceCom Corporation (Debtor in Possession)*, Assignors and *Intelsat North America, LLC, Assignee*, 19 FCC Rcd 2404, 2411-2412, ¶ 18 (2004); *Comcast Corporation, AT&T Corp., and AT&T Comcast Corporation*, 17 FCC Rcd. 23246, 23255, ¶ 26 (2002) (“*AT&T/Comcast*”); *Time Warner Inc. and America Online, Inc.*, 16 FCC Rcd 6547, 6554, ¶ 19 (2001); see also 47 U.S.C. § 310(d).

¹¹ See, e.g., *AT&T/Comcast*, 17 FCC Rcd at 23329, ¶ 218 (observing that “in balancing the public interest harms and benefits, we employ a sliding scale approach” that “examine[s] the likelihood and the magnitude of the potential public interest harms”); *TRW Inc.*, 17 FCC Rcd 24625, 24630, ¶ 15 (2002) (“[w]e find no public interest harms, and thus, the Applicants’ demonstration of potential benefits need not be as great.”).

Stratos shares to be evaluated under the conditions that **exist** at a future date when the identity of that acquirer of control is **certain**.¹⁶

The proposed transfer of control provides the opportunity to achieve the types of public interest benefits recognized as possible in the other "going private" transactions in the satellite industry that the Commission has recently approved." Subject to the exercise of the Trustee's voting rights, current Stratos management will have full latitude to operate the Stratos business in the best interests of the company. Further, the transaction provides a substantial opportunity to the Stratos public shareholders to sell their shares quickly and at a fair price.¹⁸ Stratos will continue to have the ability to expand its business, to the benefit of both existing and future customers. Indeed, the Stratos Board of Directors **has** unanimously approved the proposed transaction, concluding that it will benefit Stratos' shareholders and customers. The Stratos shareholders themselves are expected to approve the transaction in June **2007**.

Just as important, there are no countervailing public interests harms from step one. Simply stated, little will change **as** a result of the proposed transaction. Indeed, (i) Stratos management will continue to execute Stratos' current business strategy, and (ii) the transaction will be largely transparent to Stratos customers. **As** noted above, current Stratos management will continue to operate the company as in the past, subject to the Trustee's oversight through

¹⁶ See *Lockheed Martin*, 14 FCC Rcd at 15816, ¶ 1

¹⁷ See, e.g., *Motient Corp. & Subsidiaries and SkyTerra Comms., Inc.*, 21 FCC Rcd 10198 (2006); *Hughes Network Systems, Ltd.*, 20 FCC Rcd 8080 (2005); *Applications of The News Corp. Ltd. et al. for Authority to Transfer Control of PanAmSat Licensee Corp.*, 19 FCC Rcd 15424 (2004); *Application of New Skies Satellites N.V. and New Skies Satellites B.V.*, 19 FCC Rcd 21232 (2004); *Intelsat, Ltd., Transferor, and Zeus Holdings Ltd., Transferee*, 19 FCC Rcd 24820 (2004). Each of these applications was granted pursuant to delegated authority.

¹⁸ See *Rill*, 1985 LEXIS at *15-*16, ¶ 13.

exercise of his voting control. The rates, terms, and conditions of Stratos services will be unaffected by the proposed transaction. For these reasons, the proposed transaction will serve the public interest and should be approved without delay.

B. The Second Step of the Transaction Should Be Evaluated Once It Is Before the Commission

The second step of this transaction will occur when the stock is transferred from the Trust pursuant to the terms of the Trust Agreement. Specifically, the Trust Agreement provides for the Trust to terminate automatically on April 14, 2009, as long as the Trustee is able to effectuate the transfer of control of Stratos to CIP Canada, Inmarsat Finance, or a third party, after having received all applicable government approvals.”

Commission precedent clearly provides that the second step of the transaction should be evaluated only when there is an application to consummate the second step. In *Lockheed Martin*, the Commission initially reviewed only the step 1 proposal for Lockheed Martin to obtain a non-controlling, 49% interest in Comsat.²⁰ The Commission approved step 1 while postponing consideration of step 2, which contemplated that Lockheed Martin would acquire a majority and controlling interest in Comsat. Similarly, in the tender offer context, the Commission has regularly approved transfers of control to a trust (step 1), while postponing consideration of transfer of control to the eventual acquirer (step 2).²¹

¹⁹ See *supra* n.7 and accompanying text.

²⁰ *Lockheed Martin*, 14 FCC Rcd at 15816, ¶ 1

²¹ *One Two Corporation and Eugene McCarthy, Trustee*, 58 Rad. Reg. 2d at 924, ¶ 35 (1985) (“Although Cooke is the underlying applicant, our decision today merely approves the first phase of the transaction: the solicitation, collection and acquisition of Multimedia shares by the Trustee.”); *QVC Network, Inc.*, 8 FCC Rcd 8485, 8491, ¶ 22 (1993) (“Thus, the scope of review of the first step ... is limited to the trust agreement’s compliance with Commission requirements and to the qualifications of the trustee.”); *L.P. Media, Inc. and G. William*

Indeed, the rationale for postponing consideration of transfer of control to the eventual acquirer **is** even stronger here than in the Commission's typical tender offer **bust** cases for two principal reasons. First, in the typical tender offer context, the trust has control for a relatively brief period, which is the basis for the grant of consent on a special temporary authority (STA) basis." By contrast, the Trust here is likely to have control of Stratos through April **2009**. Consequently, the Trustee and Stratos are seeking approval for the transfer of control on a "regular," rather than an STA, basis. Second, in the typical tender offer context, the Commission has before it applications **for** both STA approval of transfer of control to the trust (step 1) and approval of transfer of control to the acquirer (step 2).²³ Here, there is no application pending for step 2 because that will not likely occur until April 2009, and because the identity **of** the eventual acquirer is not known. **As** noted above, the eventual acquirer of control from the Trust in step 2 could be **CIP** Canada, Inmarsat Finance (through exercise of its option) or a third party (if requisite regulatory approvals to transfer the shares out of the Trust to **CIP**

Miller, Trustee, 58 Rad. Reg. 2d 1527, ¶ 18 (1985) ("[T]he Evening News asserts that principals of **L.P. Media** have engaged in tortious acts and law violations that potentially make them unfit to hold a Commission license. **L.P. Media** denies any wrongdoing, but we need not decide those questions here. We shall consider those allegations in connection with the long-term application, if the tender offer succeeds, **as** those matters do not go to the qualifications **of** the Trustee, the person whose qualifications we act upon here."); *Viacom Inc.*, 8 FCC Rcd 8439, 8441, ¶ 9 (1993) ("It is Commission policy in tender offer cases to defer consideration of the bidder's qualifications until the long-form application phase of the procedure.").

²² In the tender offer context, the trustee holds authority "to enable him to acquire and vote, subject to certain restrictions, the shares obtained via the tender offer and to exercise control of [licensee's] licensed facilities, should [bidder] prevail in the tender offer contest, during the interim period when the [bidder's] qualifications are under consideration." *Viacom, Inc.*, 8 FCC Rcd at 8439, ¶ 1. The Commission grants 180 day STAs to the trustee to facilitate the tender offer but "anticipate[s] that the grant of temporary authorization to the trustee usually will be for a period less than the maximum initial 180 day period prescribed by statute." *Tender Offer Policy Statement*, 59 Rad. Reg. 2d at n.149.

²³ See, e.g., *Viacom, Inc.*, 8 FCC Rcd at 8439, ¶ 1; *QVC, Inc.*, 8 FCC Rcd at 8485, ¶ 1.

Canada cannot be obtained). Since there is no application to transfer control to anyone other than the Trustee, **and** since the eventual acquirer is not known, consideration of the qualifications of CIP Canada or Inmarsat Finance would be premature. Indeed, it is likely that the competitive environment and other public interest considerations will be different in April 2009 than they are in April 2007.

C. Even if the Commission Were to Consider the Qualifications of CIP Canada or Inmarsat Finance at this Time, They Would Not Present Any Public Interest Concerns

As discussed above, the Commission does not consider the second step in a two-step transaction until there is an appropriate application before it. However, there are no apparent issues with two possible future acquirers of control: CIP Canada or Inmarsat Finance,

In the case of **an** acquisition of control by CIP Canada, this would provide the infusion of management expertise that the Commission has found compelling in similar transactions involving acquisitions by private equity **firms**.²⁴ The CIP principals are successful businessmen with substantial experience in the international communications satellite industry. CIP Canada's future active involvement could further invigorate Stratos' business and bring a depth of perspective to Stratos' future growth and development.

In the case of Inmarsat Finance, acquiring control over Stratos would represent the vertical integration of Inmarsat (currently exclusively a wholesaler of MSS) and Stratos (one of the distributors of Inmarsat services). As the Commission has previously recognized, vertical integration of this type "may produce a more efficient organizational form, which can reduce transaction costs, limit free-riding by internalizing incentives, and take advantage of

²⁴ See, e.g., *PanAmSat*, 19 FCC Rcd at 15424, ¶ 2; *HNS*, 19 FCC Rcd at 8080, ¶ 1.

technological economies.”²⁵ The Commission has found: “[v]ertical integration also may reduce prices in the downstream market because the integrated firm, in determining the *costs* of producing the downstream product and consequently the final price charged to consumers, may consider the real economic cost of the input rather than the higher price (including the upstream profit margin) previously charged by the unintegrated upstream **firm**. This is referred to as the elimination of ‘double marginalization.’”²⁶

D. Other Considerations

1. The Proposed Foreign Ownership is Consistent with the Act and Commission Policy

Stratos holds common carrier earth station and terrestrial wireless licenses, which implicate Commission analysis of foreign ownership under Section 310(b) of the Act. At present, Stratos has Commission authority to have up to 100 percent Canadian equity ownership, but needs to seek Commission consent if “investors from a foreign country other than Canada would cumulatively own greater than 25 percent of Stratos Global”²⁷ As part of its foreign ownership analysis under Section 310(b)(4), the Commission evaluates the interests of beneficiaries of a trust.²⁸

In this case, for purposes of the Section 310(b)(4) analysis, the Commission may examine the CIP entities and the CIP principals, as direct and indirect beneficiaries of the Trust, and determine whether those interests by non-U.S., non-Canadian entities are consistent with the public interest. The CIP principals represent cumulatively 60% indirect ownership from The

²⁵ *SBC Communications Inc. and AT&T Corp.*, 20 FCC Rcd 18290, 18387, ¶ 190 (2006)

²⁶ *Id.*

²⁷ *Actions Taken*, Public Notice, Rep. No. SES-00553 (rel. Nov. 19, 20003).

²⁸ *Foreign Ownership Guidelines for FCC Common Carrier and Aeronautical Radio Licenses*, 19 FCC Rcd 22612, 22625 (2004).

Netherlands, 20% from France, each of which is a WTO Member, and 20% from the United States. **The requisite public interest showing is made in Appendix E.**

2. The Transaction Raises No National Security or Law Enforcement Concerns

U.S. Executive Branch agencies previously have consented to up to 100 percent foreign ownership in Stratos, and Stratos currently is a party to a network security agreement (“NSA”) and a related implementation plan. Stratos and the Trustee commit to coordinating fully with the U.S. Executive Branch and to ensuring continued compliance with the terms of the NSA and implementation plan. Based on this commitment and Stratos’ history of cooperation with the U.S. Executive Branch, the proposed transaction poses no national security issues.

3. Commission Consent Should Extend to Pending and Future Applications

Stratos has various applications pending before the Commission, some of which **may** be granted while the instant Application is being considered (the “Interim Period”). Accordingly, the parties request that the grant **of** this Application include authority with respect to all (i) authorizations issued to Stratos or any of its subsidiaries during the Interim Period; (ii) construction permits held by such companies that mature into licenses during the Interim Period; and (iii) applications that are filed after the date of this Application and are pending at the time **of** consummation of the proposed transaction. The grant of such authority would be consistent with prior Commission precedent.”

^{1D} *See. e.g., General Motors Corporation and Hughes Corporation, Transferors, and The News Corporation Limited, Transferee*, 19 FCC Rcd 6309, 6311-6312, ¶ 6 (2004); *Time Warner Inc. and America Online, Inc.*, 16 FCC Rcd 6547, 6678, ¶ 317 (2001); *Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations from Telecommunications, Inc., Transferor, to AT&T Corp.*, 14 FCC Rcd 3160, 3234-35, ¶ 156 (1999).

4. Permit-But-Disclose Status is Warranted

The Applicants respectfully request that this proceeding be designated as “permit-but-disclose” under the Commission’s rules regarding *ex parte* communications?³⁰ Designation as a “permit-but-disclose” proceeding will serve the public interest by facilitating the development of a complete record upon which a well-reasoned decision can be made.”

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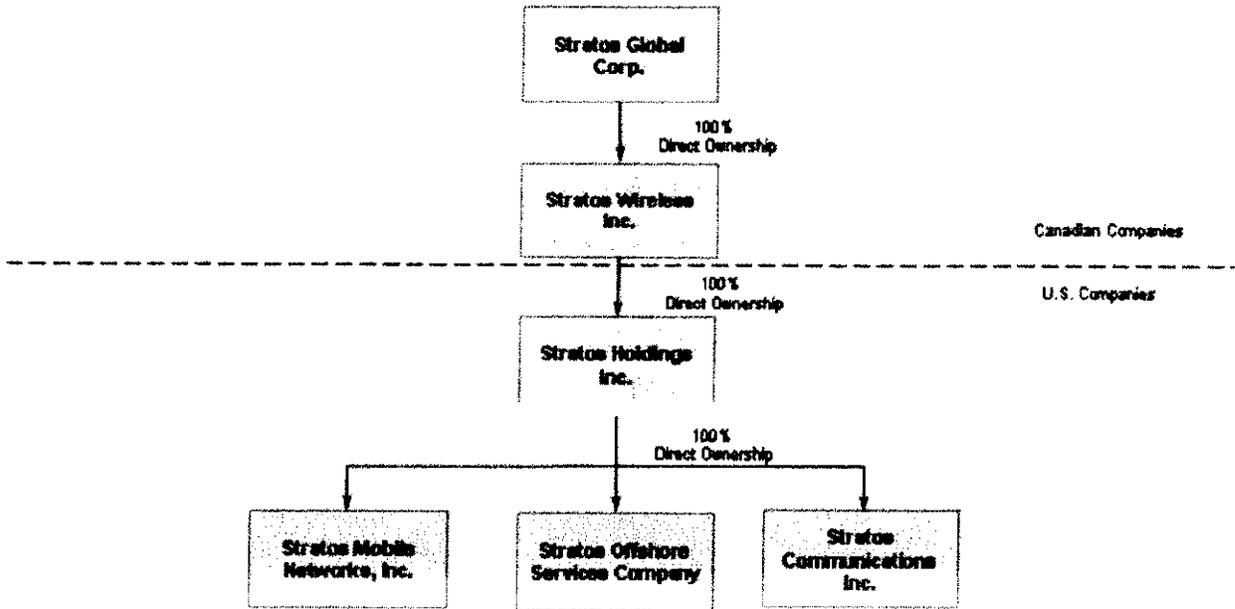
For the foregoing reasons, and the reasons provided throughout the rest of this Application, the Commission should approve the transfer of control of Stratos from the current Stratos shareholders to the Trust.

³⁰ 47 C.F.R. § 1.1200 *et seq*

³¹ See, e.g., Public Notice, *Telenor ASA, Transferor and Inceptum IAS, Transferee*, IB Docket No. 06-225, DA 06-2565 (rel. Dec. 21, 2006).

APPENDIX A

ORGANIZATIONAL STRUCTURE OF THE STRATOS LICENSEES



APPENDIX B

CURRICULUM VITAE OF ROBERT M. FRANKLIN, TRUSTEE

ROBERT M. FRANKLIN

34 Plymbridge Crescent, Willowdale, Ontario, M2P 1P5

Office: (416) 363-1139

Home: (416) 488-3226

robert.franklin@rogers.com

EMPLOYMENT HISTORY

1993- 2006 Chairman, Placer Dome Inc.
1990 - 1993 Chairman, Glenayre Electronics Limited
1989- present President, Signalta Capital Corporation (private investment company)
1987- 1989 Vice-chairman and C.E.O., Algonquin Mercantile Corporation
1977 - 1987 Executive Vice-president, Algonquin Mercantile corporation
1971- 1977 Vice-president, Algonquin Mercantile Corporation
1971 - 1973 General Manager, Coupco Division, Algonquin Mercantile Corporation
1970 - 1971 General Manager, Coupco Limited

DIRECTORSHIPS

Since: 1994 Toromont Industries Ltd.
2003 Great Lakes Carbon Income Trust
2006 Barrick Gold Corporation
2006 Resolve Business Outsourcing Income Fund
2006 First Uranium Corporation (Lead Director)

Previous: 1987 - 2006 Placer Dome Inc. (Chairman)
2005 - 2006 Royster-Clark Ltd
2002 - 2005 Call.Net Enterprises Inc.
2003 - 2004 Serica Energy Corporation
1994 - 2004 ELI Eco Logic Inc. (Chairman)
1994 - 2003 ClubLink Corporation (Chairman)
1988 - 2000 N.S.R. Resources Limited
1973 - 2000 Tintina Mines Limited
1997 - 1999 Kelman Technologies Inc.
1994 - 1998 Barrington Petroleum Ltd.
1994 - 1996 American Gem Corporation
1992 - 1994 DCC Equities Limited
1989 - 1993 Glenayre Electronics Limited
1990 - 1991 Kustom Electronics Inc.
1977 - 1990 Hardee Farms International (became Cobi Foods in 1985)
1974 - 1990 Algonquin Mercantile Corporation
1988 - 1989 Saynor Varah Inc.
1987 - 1989 Balfour Forest Products Inc.
1986 - 1987 U.S. Gold corporation

Robert M. Franklin

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1984- 1987	Detour Lake Joint Venture
1983- 1987	Campbell Red Lake Mines Ltd.
1985- 1986	McIntyre Mines Ltd.
1985- 1986	Canada Tungsten
1984- 1986	Family Trust Corporation

COMMUNITY ACTIVITIES

2006 -present	Director, York Club
1996- 1998	Co-Chair, Campaign Leadership Division, Havergal College
1995- 1997	Member, Dean's Advisory Council, University of Toronto Faculty of Management
1993- 1999	Director and Chairman of the Investment Committee, North York General Hospital
1985- 1987	Director, Sunnybrook Hospital institute
1982- 1989	Director, Osler Bluff Ski Club
1986- 1987	President, Osler Bluff Ski Club
1977- 1999	President, Goodwood Farms Limited/Goodwood Club
1979- 1981	President, Governor's Bridge Ratepayers Association

EDUCATION

1970	Bachelor of Arts, Business Administration Hillsdale College, Hillsdale, Michigan
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PERSONAL INFORMATION

Date of Birth:	January 6, 1947, Noranda, Quebec
Married:	Lesley Taylor (Pinky) Shields Three children: Signy Virginia, 1978; Jordan Alexis, 1981; Robert Taylor, 1983
Club Memberships:	Goodwood Club Granite Club King Valley Golf Club Osler Bluff Ski Club Toronto Club York Club
interests:	Skiing, fishing, tennis, golf and reading

APPENDIX C
TRUST AGREEMENT

TRUST AGREEMENT

THIS TRUST AGREEMENT (the "Agreement") is entered into and effective as of April 2, 2007, by and between CIP Canada Investment Inc., a corporation organized and existing under the laws of Canada ("Bidco"), and Robert M. Franklin ("Trustee"), an individual resident in Canada. The Trust (as such term is defined in Section 1 below) is a "Canadian" for the purposes of the Investment Canada Act. Unless defined elsewhere herein, all capitalized terms shall have the meanings ascribed to them in Section 12 hereof.

WHEREAS, Bidco proposes (a) to deposit \$30,000 ("Cash Asset") in the Trust created hereunder, (b) to acquire, through a Plan of Arrangement ("Plan of Arrangement") under the Canada Business Corporations Act, all of the issued and outstanding common shares (together the "Stock") of Stratos Global Corporation, a Canadian corporation ("Company"), and simultaneously cause the legal title to the Stock (including any common shares of the Company otherwise acquired by Bidco) to be deposited in the Trust created hereunder (the "Transaction"), (c), subsequent to the completion of the Transaction, to implement a mandatory tender offer (the "Bond Offer") for Company's issued and publicly tradable bonds (any such bonds acquired by Bidco pursuant to the Bond Offer comprising the "Bonds") and to cause, simultaneously with the completion of the Bond Offer, the legal title to the Bonds, to be deposited in the Trust created hereunder and (d) in the event that, prior to the date of Company's shareholder meeting to approve the Transaction, (i) Company fails to obtain all necessary consents to maintain the Senior Facility in place following completion of the Transaction and (ii) Bidco fails to obtain replacement commitments from third party financial institutions to refinance the Senior Facility, contemporaneously with the completion of the Plan of Arrangement, to refinance the Senior Facility itself (the "Refinancing") and to cause, simultaneously with the first drawdown under such Refinancing, the legal title and any

and all **rights as** lender relating to the assets pledged **as** security under any such Refinancing (the “**Refinancing Assets**”) to be deposited in the Trust created hereunder (and for the purposes of this Agreement, the Cash Asset, the Stock, the Bonds, the Refinancing Assets and any additional property acquired under **Section 6 or 8** hereof shall comprise the “Trust Property”);

WHEREAS, Company, through subsidiaries, holds various licenses, permits and authorizations issued by the United States Federal Communications Commission (the “FCC”), Industry Canada and other regulatory authorities and also may have applications **pending** before the FCC, industry Canada **and/or** other regulatory authorities;

WHEREAS, the Transaction will **be** subject to the receipt of all necessary Regulatory Approvals which **are** required to be obtained in order to allow the Transaction to lawfully proceed, for which approvals Trustee, Bidco and/or Company, **as** applicable, will file appropriate applications (the “**Applications**”); and

WHEREAS, the holding of the Trust Property by Trustee under the **terms** herein will provide a mechanism that ensures that Bidco does not hold legal title to or voting interests in the Trust Property or have the power to direct or cause the direction of the management and policies of Company and its subsidiaries before such time **as** the Trust is terminated in accordance with its terms.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto agree **as** follows:

1. Creation and Purpose of Trust. Subject to the terms and conditions hereof, a trust in respect of the Trust Property is hereby created and established (the “**Trust**”) under which, (a) upon the execution of **this** Agreement, the Cash Asset is to be transferred to and

held by the Trustee for the benefit of Bidco, (b) upon completion of the Transaction, legal title to the Stock is to be held exclusively by Trustee for the benefit of Bidco and (c) upon completion of the Bond Offer and/or the first drawdown under the Refinancing, legal title to the Bonds and/or the Refinancing Assets are to be held by Trustee for the benefit of Bidco, and Trustee hereby accepts the trust created hereby and agrees to serve as trustee hereunder. The Trust shall be irrevocable and shall remain in effect until it is terminated in accordance with Section 9 below (the "Trust Period").

2. Transfer and Holding of the Trust Property

a. Upon the satisfaction or waiver of the conditions set forth in Article VI of the Arrangement Agreement and simultaneous with the transfer of the Stock from the shareholders of Company to Bidco under the Plan of Arrangement, Bidco shall cause the legal title to all of the Stock to be transferred, and the certificates representing the shares of such Stock to be delivered, to Trustee, duly endorsed or accompanied by a proper instrument of assignment duly executed such that Trustee shall exercise all voting rights with respect to the Stock and therefore have *de jure* and *de facto* control over Company. New certificates representing the legal title to the Stock so transferred to Trustee shall be issued to Trustee. Bidco shall not hold legal title to, but shall hold the beneficial ownership in the Stock during the Trust Period.

b. Trustee shall, upon receipt of certificates representing shares of the Stock, deliver to Bidco trust certificates therefor, substantially in the form of Exhibit A attached hereto.

c. Upon the completion of the Bond Offer, Bidco shall ~~cause~~ legal title to all of ~~the~~ Bonds to be transferred, and the certificates or other documents ~~of~~ title representing the Bonds to be delivered, to Trustee, duly endorsed or accompanied by a ~~proper~~ instrument of assignment duly executed. New certificates or other documents of title representing the Bonds so transferred to Trustee shall be issued to Trustee. Bidco shall not hold legal title ~~to~~, but shall **hold** the beneficial ownership in the Bonds during the Trust Period.

d. Trustee shall, **upon** receipt of certificates or other documents of title representing the Bonds, deliver to Bidco trust certificates therefor, substantially in the form of Exhibit B attached hereto.

e. Upon the completion of the first drawdown under the Refinancing, Bidco shall cause legal title to ~~the~~ Refinancing Assets to be transferred, and the certificates or other documents of title representing the Refinancing Assets to be delivered, to Trustee, duly endorsed or accompanied by a proper instrument of assignment **duly** executed. New certificates or other documents of title representing the Refinancing Assets ~~so~~ transferred to Trustee shall be issued to Trustee, Bidco **shall** not hold legal title to, but shall hold the beneficial ownership in the Refinancing **Assets** during the Trust Period.

f. Trustee shall, upon receipt of certificates or other documents of title representing the Refinancing Assets, deliver to Bidco trust certificates therefor, in such ~~form~~ as the Trustee shall reasonably believe ~~to~~ be appropriate.

g. Trustee shall retain and hold the certificates representing the Trust **Property only** in accordance with, and subject to the terms and conditions set forth in, this Agreement. Except ~~as~~ hereinafter provided, **all** certificates representing the Trust Property

shall at all times be and remain in the **possession** of Trustee. Trustee shall have no authority to **sell**, transfer, **assign**, pledge, hypothecate or otherwise dispose of or encumber the Trust Property, or any rights therein or thereto, except to the extent otherwise specifically provided in **this** Agreement.

3. Maintenance of Trust Records; Replacement of Trust Certificates

a. Trustee **shall** maintain such records and **books** as **are** necessary or appropriate to enable Trustee to carry out the terms and conditions of **this** Agreement.

b. In ~~case~~ any trust certificate shall become mutilated, lost, stolen or destroyed, Trustee, under such conditions with respect to indemnity and **otherwise** as Trustee in Trustee's sole discretion may prescribe, may provide for the issuance of **a** new trust certificate in lieu of such lost, stolen or destroyed **trust** certificate or in exchange for such mutilated trust certificate.

4. Voting and Other Actions **by** Trustee

a. During the term of this Agreement, all voting rights with respect to the Trust Property, and the **right** to take **part** in or consent to any corporate, stockholder's, bondholder's, lender's or creditor's action of any kind **arising** out of or relating to the Trust Property shall be vested exclusively in Trustee, who shall exercise such rights in his absolute discretion in **a** manner consistent with his fiduciary duties, subject to the requirement that Trustee shall vote the Trust Property **and/or** execute written consents **and/or** exercise any and all rights arising under the Trust Property **as** follows:

(i) to use his best efforts to **(x)** enforce his rights under, and the agreements set forth in, the Shareholder Agreement and (y) ensure that Company complies with its **obligations** under **the** Shareholder Agreement; and

(ii) to **elect** members of the board of directors of Company whom he reasonably believes are independent of Bidco and its Affiliates and Inmarsat and its **Affiliates**, and whom **confirm** that they **are** independent of Bidco and its Affiliates and Inmarsat **and its Affiliates**.

b. Trustee shall cause any director appointed or elected by it in accordance with this Agreement to execute and deliver to Trustee **an** agreement, in form and substance acceptable to Trustee, pursuant to which such director agrees that the director will not communicate with Bidco or ~~Inmarsat~~ or ~~their~~ respective officers, directors, employees, stockholders and Affiliates regarding the Company, including the operations or management of Company; provided that any officer of the Company who is also a director may communicate with Inmarsat and its **officers**, employees **and** Affiliates regarding **commercial** matters in the **ordinary** course of **business** between the Company and Inmarsat and their respective Affiliates.

c. No person other ~~than~~ Trustee shall have any voting rights in respect of any of the Trust Property **so long as** this Agreement **is** in effect. Trustee shall have no beneficial ownership in the Trust Property in **his** capacity **as** a trustee. Bidco shall have no legal title, nor the right to vote, nor the right to exercise any right **arising under**, but shall hold the beneficial ownership in, the **Trust** Property during the Trust Period.

d. Trustee shall provide assistance to (a) Bidco **in** Bidco's efforts to obtain the Regulatory Approvals in connection with **the** eventual transfer of legal title to the Trust Property to Bidco or (b) a third party in such third party's efforts to obtain the

Regulatory Approvals in the event that Trustee is mandated to sell the Trust Property to a third party, in each case pursuant to Section 5 below, as appropriate, and shall take all such action as may be reasonably necessary in pursuit of such Regulatory Approvals. In the event that a third party challenges any such application or filing with respect to Trustee's legal title or authority to hold legal title to, vote, or exercise any right arising under the Trust Property pursuant to this Agreement, Trustee shall take all reasonable steps to defend against such challenge, including but not limited to providing such cooperation to Bidco as Bidco may require in its defense to any such suit or proceeding.

5. Transfer of Trust Property

a. At the written request of Bidco, Trustee shall cooperate with Bidco and take such actions as may be necessary or reasonably requested by Bidco in order to obtain the necessary Regulatory Approvals to permit the transfer of the legal title to the Trust Property from Trustee to Bidco pursuant to Section 5.b. below or to an unrelated third party pursuant to an auction process in accordance with Section 5.c. below (in any case, the "Transferee"). If the requested Transferee is Bidco, then such request may be made by Bidco prior to the time the Call Option is exercisable, provided always that (i) the Applications specify an effective date of transfer that is after the date the Call Option becomes exercisable and (ii) the actual transfer from Trustee to Bidco of the legal title to the Trust Property only occurs pursuant to Section 5.b. of this Agreement.

b. As soon as reasonably possible following receipt by Trustee of a written notice and reasonable evidence from Bidco that (x) the Call Option (i) has become exercisable or has been exercised, as the case may be, by the grantee of the Call Option pursuant to the terms of the Call Option Agreement or (ii) has terminated pursuant to the

terms of the Call Option Agreement and (y) the necessary Regulatory Approvals have been obtained to permit the transfer of legal title in and to the Trust Property to Bidco, Trustee shall cause the certificates representing the legal title to all **of** the Trust Property to **be** delivered to Bidco, properly endorsed for transfer to it, and shall take all other actions appropriate to effectuate the transfer of the legal title to **all rights** arising under, the Trust Property to Bidco.

c. If Trustee is notified by Bidco that the necessary Regulatory Approvals sought pursuant to Section 5.b. above cannot be obtained, then Trustee shall, **as soon as** reasonably practicable thereafter and subject to the necessary Regulatory Approvals having been obtained, **sell** all of the ~~Trust~~ Property to one or more third parties that **are** unrelated to Bidco, Inmarsat or their respective Affiliates. For **this** purpose, Trustee shall appoint a reputable investment bank to conduct an auction process to elicit binding **offers from** third parties for ~~the~~ acquisition of the Trust Property. Trustee **shall**, consistent with its fiduciary obligations, select the purchasing **party** or parties arising out of such auction process and determine the ~~terms~~ of such sale in **such** manner **as will maximize** the sale proceeds to Bidco (including, without limitation, selling **some** or all **of** the **assets** of the Group pursuant to an asset sale) consistent with the terms and conditions remaining attractive and appropriate in the circumstances. Any such sale shall be conducted in compliance with all applicable federal, state and Canadian securities laws, and **shall** be subject to such prior Regulatory Approvals **as** may be required.

d. Until such time **as** all of the ~~conditions~~ set forth in Section 5.b. or Section 5.c. **are** fulfilled, Trustee **shall** continue to hold the Trust Property in **trust** pursuant to the terms hereof.

e. Trustee shall have any and all such ~~further~~ powers, and shall take such ~~further~~ actions, ~~as~~ may be necessary to cause any of ~~the~~ transactions contemplated in Section 5.b. or Section 5.c. (including, but not limited to, causing to be made such additional regulatory filings and actions related thereto ~~as~~ may be required by the FCC or any other ~~governmental~~ agency) or otherwise to preserve the assets of Company and to fulfill Trustee's obligations under ~~this~~ Agreement.

6. Additional Capital and Debt

a. In the event that the Group decides to issue Securities or incur Indebtedness (each a "**Fund Raising**"), then Trustee shall ~~use~~ its best efforts to ensure that the Fund Raising is ~~undertaken~~ only in accordance with the terms of, and as set forth in, the Shareholder Agreement.

b. Trustee shall, within five (5) Business Days of receipt of a notice from Company of Company's intention to carry out a Fund Raising (the "Fund Raising Notice"), send a copy of such Fund Raising Notice to Bidco and provide Bidco with all information and documents it has received ~~and will receive from~~ Company in connection with the Fund Raising by virtue of holding the legal title to the Trust Property, in order to enable Bidco to decide whether or not to participate in such Fund Raising. If Bidco wishes to participate in the Fund Raising, it shall, within 27 Business Days of receipt of a copy of the Fund Raising Notice, ~~instruct~~ Trustee in writing specifying the number of Securities to which it wishes to subscribe or acquire ~~and/or~~ the amount of Indebtedness that it wishes to lend. Within 2 Business Days of receipt of the instructions from Bidco, Trustee shall, subject to the provisions of Company's constituent documents and provided it has received ~~from~~ Bidco either (x) the necessary funds or (y) a notice indicating that the ~~necessary~~ funds will be paid