

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

Stratos Global Corporation and Robert M.
Franklin, Trustee

Consolidated Application for Consent to Transfer
Control of Stratos Global Corporation's FCC-
Authorized Subsidiaries

WC Docket No. 07-73

DA 07-2257

FCC File Nos.

ITC-T/C-20070405-00136

ITC-T/C-20070405-00133

ITC-T/C-20070405-00135

SES-T/C-20070404-00440

through -00443

002961737 and

ISP-PDR-20070405-00006

OPPOSITION OF CIP TO PETITIONS TO DENY

CIP Canada Investment Inc. ("CIP") submits this Opposition to the Petitions to Deny the Consolidated Applications for Consent to Transfer Control of Stratos Global Corporation to Robert M. Franklin, Trustee, filed by Iridium Satellite, LLC ("Iridium") and Vizada Services LLC ("Vizada") (together, "Petitioners"). While CIP Canada is not an applicant before the Commission, it and its affiliates are parties to various agreements relating to the Stratos transaction, and believe that the Commission's review of the applications will benefit from CIP's correction of various Iridium and VIZADA misstatements about CIP's role in the transaction and under the Trust Agreement. CIP is an independent party in the transactions, unaffiliated with Inmarsat, Stratos or the Trustee. CIP, and its affiliates, decided to enter into the various agreements with these parties for their own benefit, but believes that the public's interest in a

more efficient and competitive satellite market will ultimately be served by the consummation of the transactions envisioned in the transaction documents.

I. Open, Transparent and Thorough Process

While Stratos and Inmarsat have been very public about their intentions in the transaction,¹ and the Commission subjecting the applications to the “Transaction Team” 180-day review period typically reserved for major mergers provides the Commission and all parties ample time to review the transaction,² CIP is pleased to provide even more transparency in review of the applications. Accordingly, CIP is attaching copies of the loan facility agreement and call option with Inmarsat Finance III Limited (“Inmarsat Finance”), a subsidiary of Inmarsat, appropriately redacted to preserve confidential information proprietary to Inmarsat Finance, CIP, and its affiliates, and offers to make unredacted copies of these documents available to Petitioners’ counsel under an appropriate protective order that ensures any review will result in use limited to the instant proceeding, and not be used in commercial litigation or other unrelated proceedings, by either Petitioners or other parties.

II. CIP’s Independent Risk

Stratos Global’s Proxy Circular to its shareholders, in which Vizada places such weight, itself describes CIP as an independent party.³ CIP has five principals who each have

¹ See Press Release, Inmarsat subsidiary to lend up to US\$250 million for acquisition, (Mar. 19, 2007) available at http://www.inmarsat.com/About/Investors/Press_releases/00021457.aspx?language=EN&textonly=False (last visited July 6, 2007); see also “Notice of Annual and Special Meeting of Shareholders to be held on June 12, 2007 and Management Proxy Circular” at 14-16 (May 4, 2007) (hereafter “Proxy Circular”). As Vizada itself notes in referencing Inmarsat’s press release, Inmarsat has been very transparent about its interest in ultimately acquiring Stratos. See Press Release; see also Petition to Deny of VIZADA Services LLC at 21-22 (June 29, 2007) (hereafter “Vizada Petition”).

² Stratos and Mr. Franklin requested streamlined treatment for the applications, but the Commission denied that request. See Stratos Global Corp. and Robert M. Franklin, Trustee, seek FC Consent to the Indirect Transfer of Control of Stratos Global’s Wholly-Owned, FCC-Authorized Subsidiaries from Stratos to an Irrevocable Trust, Public Notice, WC Docket No. 07-73, at *5 9 (rel. May 30, 2007). Instead, the Commission is subjecting the consolidated applications to the treatment that it has applied in the SBC- AT&T merger, the AT&T – Cingular merger, and the Verizon-MCI merger among others.

³ See Vizada Petition at 8 n. 26.

considerable experience in the satellite and international telecommunications management, all of it independent from Inmarsat or Stratos. None of the five principals in CIP have ever worked for Inmarsat or Stratos, or with the Trustee. CIP's President is Mr. Hans Lipman, who spent twelve years with KPN of the Netherlands, five of them as divisional Chief Financial Officer. Mr. Lipman was the financial manager for Royal Dutch KPN's International Participations department for over half a decade. He is a member of the supervisory board of PanTel Rt, Hungary. For over a decade, Mr. Lipman has been working as a financial manager and information technology controller with KPN Telecom. Prior to that time, he was an auditor with PriceWaterhouseCoopers' predecessors, since 1978.

Victor Horcasitas, CIP's Secretary and Treasurer, has worked in telecommunications and information technology consulting for fifteen years. He is the Managing Director at Trinity Advisers Limited, in their Barcelona office. Mr. Horcasitas has served as Program Manager at EDS in their globally outsourced information technology services, as a Manager, Enterprise Risk Services at Deloitte & Touche, and as a Network Engineer at Federal Reserve Automation Services.

Eric de Jong, a CIP Director, has been a member of the Infonet Services Corporation Board of Directors since 1999. Since 1996, he has served as the Director--Partnership Management of KPN International. Prior to this time, he was Director of Strategy and a Project Director of KPN in charge of the telecommunications development of the Amsterdam airport area. He spent 33 years with KPN, and 3 years on Xantic Supervisory Board including as interim Chief Executive Officer.

Hans van Moorsel, another CIP Director, has 30 years multinational experience, and is a former member of the management Board of KPN International and Chief Executive Officer of KPN Asia. He was also on the board of directors of Wipro Ltd, which provides research and development, information technology, product engineering, and consulting services.

Eric Le Proux de La Riviere, another CIP Director, is also an executive director of Aon Explorer, the aerospace and telecom department of Aon. He is also the principal in a consulting business. With \$10 billion revenue in 2004, Aon is the second largest consulting and insurance brokerage firm in the world with offices in 120 countries. Mr. Le Proux heads the Strategy and Finance consulting practice of Aon France, and is a founder and Managing Director of Euroconsult. Mr. Le Proux has twenty years of experience in the high-tech industry, of which sixteen years of strategic consulting in the satellite and telecom sectors. During his consulting tenure, Mr. Le Proux has advised the majority of the satellite operators active in the world and has supported most investment banks and private equity firms involved in satellite-related financial transactions.

These five experienced executives of their own accord formed Communications Investments Partners Limited, the parent of CIP UK Holdings Limited, which is the parent of CIP. They chose of their own volition to enter into the investment opportunity represented by the applications before the Commission – they were not established nor unilaterally selected by Inmarsat, as Iridium and Vizada imply.⁴ Rather, these experience executives, in line with the global trend of satellite operators “going private”, explored and acted upon an investment opportunity that has the public interest benefits of ultimately providing more efficiency and competitiveness in the U.S. satellite distribution market.

⁴ See Vizada Petition at 21; *see, e.g.*, Petition to Deny of Iridium Satellite, LLC at 4 (filed June 29, 2007) (hereafter “Iridium Petition”).

Contrary to Vizada's claims that CIP is insulated from risk,⁵ CIP does bear risk in the transaction documents – subject to Inmarsat Finance's exercise of its option and Commission approval, CIP will legally and beneficially own, as well as control and operate, Stratos and thereby bears the risk of such investment. Alternatively, CIP may sell its holdings in Stratos after the trust period, subject to regulatory approval.

III. Competitive Effects of Transaction

Claims by Iridium and Vizada that the transaction, if approved by the Commission, will cause “anti-competitive harm” are specious. The transaction helps move the market to a more competitive structure, consistent with Congress' goals in the Open-Market Reorganization for the Betterment of International Telecommunications Act (ORBIT Act) that encouraged the privatization of Inmarsat.⁶ As Iridium acknowledges,⁷ the Commission prefers that marketplace considerations influence shareholder decisions, and not artificial constraints on trade.

It is ironic that Vizada⁸ and Iridium⁹ express concern for potential new entrants to the satellite market and the threat of “skewing” competition when a purpose of the Commercial Framework Agreement is to prevent Inmarsat from distributing services directly to end users, thereby shielding Vizada from another potential competitor. Iridium, were the FCC to approve a possible future transfer of control of Stratos' shares to Inmarsat in 2009, would be subject to

⁵ See Vizada Petition at 21 n. 79.

⁶ See S. Rep. No. 106-100, ORBIT Act, at 1 (1999) (“...[Inmarsat] must be transformed into a commercial structure comparable to that of any of the existing commercial satellite entities.”); see also S. Rep. No. 104-230, Telecommunications Act (goal of Telecommunications Act of 1996 was “to provide for a pro-competitive, de-regulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition”).

⁷ See Iridium Petition at 8.

⁸ See Vizada Petition at 26.

⁹ See Iridium Petition at 2, 6.

competition from a satellite operator that like Iridium itself, can compete in both the wholesale and retail sectors of the satellite market.

Iridium notes that the Trustee's role is limited,¹⁰ but also worries that Stratos will be allowed to be influenced to favor Inmarsat distribution. Iridium cannot have its story both ways – that the Trustee does not possess the business acumen to control a global satellite company and yet would engage in complex, underhanded dealings that would disadvantage an experienced company like Iridium.¹¹ Surely, if Iridium's fears are genuine that the Trustee will direct Stratos to disfavor Iridium, in contravention of all the Trust obligations to act in a manner consistent with Stratos' interest, then Iridium would want the Trustee to have a limited role.

Vizada's concerns are the obverse of Iridium's. Rather than a malevolent force, actively plotting harm to Iridium, Vizada fears the Trustee will be a slacker. Vizada implies that the Trustee, "lacking any chance to share in upside gain," will have "no incentive to aggressively compete in the market or to innovate or to take other potentially beneficial business risks".¹² Worse still, he may be Inmarsat's lackey.¹³ But the Trustee is simply a shareholder. He will have no operational or managerial control. Management of Stratos' operations will remain in the hands of Stratos' business team. And that management team, like any other, will have the incentive to continue to increase sales, revenue and share price. Stratos will therefore have every incentive during the trust period to invest in any new application or service that serves those goals.

¹⁰ See *id.* at 10.

¹¹ Iridium claims to fear that Stratos, during the trust period, would be pressured not to invest in new applications or service innovations offered by Iridium. See Iridium at 16.

¹² See Vizada at 15.

¹³ See *e.g.*, Vizada at 25-26. Contrary to Vizada's assertions, there is no incentive for Inmarsat to influence Stratos to discriminate against other distributors, and thanks to the Trust Agreement, there is no ability. Stratos derives a substantial portion of its revenues from the distribution of Iridium and others' services. Inmarsat has no apparent incentive to threaten that revenue stream. Were it to do so, the value of Stratos during the trust period would decrease, and Inmarsat would end up having in effect over bid on a declining asset.

Happily for Iridium and Vizada, the contrasting pictures they paint of the Trustee are fantasy. The truth is much simpler – the Trustee has no brief, and lacks the incentive, to influence Stratos to the detriment of Iridium. Petitioners’ arguments are inherently contradictory. The Trustee cannot have both the incentive to do nothing “more than maintain the status quo” and to “do Inmarsat’s bidding,”¹⁴ if Inmarsat’s bidding is, as Petitioners suggest,¹⁵ to enable Stratos to favor Inmarsat over Iridium. The Trustee has the contractual obligation to maintain the trust property, and would not wish to see the operations and revenues of Stratos be undermined by a decrease in the distribution of Iridium services during the trust period.

IV. Trust Period and Operation

If Iridium is concerned about Stratos’ ultimate acquisition by Inmarsat and the market “disruption” that might follow,¹⁶ Iridium should favor a longer trust period, to provide itself and other market participants an orderly transition period to possible direct distribution by Inmarsat, as Iridium today is permitted.

Contrary to Iridium’s argument,¹⁷ the Trust is not being justified as an emergency matter. Iridium conflates the transaction parties’ purposes.¹⁸ CIP did not create the Trust in response to an emergency, nor did the Trustee claim as much in the consolidated applications for transfer of control. In no way does its creation evade FCC review. When Stratos’ shares are transferred from the Trustee to a third party in 2009, whether that party is Inmarsat or a private investor in the capital markets, FCC approval will be required and sought.

When Vizada questions whether the transaction is structured in a way that CIP “would have a sufficient incentive to ensure that Stratos operates so as to maintain its FCC licenses”,

¹⁴ See Vizada Petition at 15-16 .

¹⁵ See *id.* at 25-26; see Iridium at 16-17.

¹⁶ Iridium Petition at 9.

¹⁷ *Id.*

¹⁸ See *id.*

they misperceive CIP's role in the transaction.¹⁹ The parties deliberately segregated beneficial and legal ownership of Stratos' shares, to comply with Inmarsat's Commercial Framework Agreement. CIP, as the beneficial owner, has no incentive to take any actions that would threaten Stratos' licenses. CIP's interests are aligned with Stratos' continued operational success. However, given the structure of the Trust Agreement, CIP has no operational influence over Stratos. It is prohibited under the Trust Agreement from communicating with Stratos on management and all communications must be in writing.²⁰

Vizada's concerns about possible influence of Inmarsat over CIP²¹ are also unfounded, and misperceive CIP's role. Likewise, Iridium's argument that "CIP would be dissuaded from making any investments to promote services that might compete with Inmarsat" is without merit.²² Since CIP is prohibited under the Trust Agreement from attempting to influence Stratos, and has no legal ability to do so, lacking *de jure* control of Stratos' shares, it has no ability to direct Stratos investments, one way or the other. Moreover, it would be irrational for Inmarsat to attempt to influence CIP, since CIP lacks any operational control of Stratos. To ensure Inmarsat's distributors that Stratos would continue to operate independently during the trust period was precisely why the parties agreed to separate beneficial and legal ownership of the Stratos shares. Indeed, as Iridium itself acknowledges, the incumbent management of Stratos is not being replaced.²³

¹⁹ See Vizada Petition at 16.

²⁰ Trust Agreement, Execution Copy, §§ 10.c-d.

²¹ See Vizada Petition at 17.

²² See Iridium Petition at 5. Likewise, the "equity-debt plus" attribution policy that Vizada cites, *see* Vizada Petition at 18, to demonstrate FCC concern that the programming decisions of licensees are not subject to undue influence is a broadcast rule protecting media diversity that has nothing to do with the MSS distribution market.

²³ See Iridium Petition at 8.

V. Conclusion

For the above stated reasons, CIP urges that the Commission grant the consolidated applications of Stratos Global Corporation and Robert M. Franklin, Trustee, to transfer indirect control of Stratos Global Corporation's FCC-Authorized Subsidiaries to an irrevocable trust.

Respectfully submitted,

_____/s/_____
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July 9, 2007

Attachments

ATTACHMENTS

1. Loan Facility Agreement between CIP UK Holdings Limited, CIP Canada Investment Inc., and Inmarsat Finance III Limited
2. Call Option Agreement between Communications Investment Partners Limited and Inmarsat Finance III Limited

CERTIFICATE OF SERVICE

I, Arooj Sami of Harris, Wiltshire & Grannis LLP, do hereby certify that on this day of July 9, 2007, I caused copies of the foregoing "Opposition by CIP to Petitions to Deny" to be delivered to the following via First Class U.S. mail or email as specified:

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FACILITIES AGREEMENT

dated 11 June 2007

for

CIP UK HOLDINGS LIMITED
as Borrower

CIP CANADA INVESTMENT INC.
as Guarantor

INMARSAT FINANCE III LIMITED
as Lender

FACILITIES AGREEMENT

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THIS AGREEMENT is dated 11 June 2007 and made between:

- (1) **CIP UK HOLDINGS LIMITED** as borrower (the "**Borrower**");
- (2) **CIP CANADA INVESTMENT INC.** as guarantor (the "**Guarantor**"); and
- (3) **INMARSAT FINANCE III LIMITED** as lender (the "**Lender**").

IT IS AGREED as follows:

SECTION 1 INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"**Acceptable Bank**" means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or A2 or higher by Moody's Investor Services Limited or a comparable rating from an internationally recognised credit rating agency; or
- (b) any other bank or financial institution approved by the Lender (acting reasonably).

"**Accounting Principles**" means IFRS.

"**Acquisition**" means the acquisition by the Guarantor of the Target Shares and the cancellation and termination of the Target Options in accordance with the Plan of Arrangement.

"**Acquisition Costs**" means all non-periodic fees, costs and expenses, stamp, registration and other Taxes incurred by the Parent (on behalf of the Borrower or the Guarantor) or the Borrower or any other member of the Group in connection with the Acquisition or the Transaction Documents.

"**Additional Guarantor**" means a company which becomes a Guarantor in accordance with Clause 29 (*Changes to the Obligors*).

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**Agreed Security Principles**" means the principles set out in Schedule 8 (*Agreed Security Principles*).

"**Arrangement Agreement**" means the arrangement agreement between the Borrower, the Guarantor and the Target dated 19 March 2007 as amended from time to time.

"**Arrangement Resolution**" means the special resolution of the shareholders of the Target to be considered at the Target Meeting, to be substantially in the form set out in Schedule A of the Arrangement Agreement.

"**Articles of Arrangement**" means the articles of arrangement filed with the CBCA Director under the CBCA in connection with the Plan of Arrangement after the Final Order is made.

"**Assignment Agreement**" means an agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Availability Period**" means:

- (a) in relation to Facility A, subject to the requirements of Clause 4.3 (*Utilisations during the Certain Funds Period*), the period from and including the date of this Agreement to and including the earlier of (i) the Closing Date and (ii) 31 December 2007; and
- (b) in relation to Facility B, the period from and including the Closing Date to and including the date 95 days after such date.

"**Available Facility**" means, in relation to a Facility, the amount in respect of the Facility, minus:

- (a) the amount of any outstanding Utilisations under that Facility; and
- (b) in relation to any proposed Utilisation, the amount of any other Utilisations that are due to be made under that Facility on or before the proposed Utilisation Date.

"**Break Costs**" means the amount (if any) by which:

- (a) the interest which the Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount which the Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, New York and Toronto, Ontario and (in relation to any date for payment or purchase of a currency other than sterling, dollars or Canadian dollars) the principal financial centre of the country of that currency.

"Call Option" means the call option granted pursuant to the Call Option Agreement.

"Call Option Agreement" means the call option agreement between the Parent and the Lender dated 19 March 2007.

"Call Option Exercise Date" means the date on which the Call Option becomes exercisable pursuant to the terms of the Call Option Agreement, whether or not the Call Option is then exercised.

"Cash Equivalent Investments" means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, Canada, the United Kingdom, any member state of the European Economic Area or any Participating Member State or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (c) commercial paper not convertible or exchangeable to any other security:
 - (i) for which a recognised trading market exists;
 - (ii) issued by an issuer incorporated in the United States of America, Canada, the United Kingdom, any member state of the European Economic Area or any Participating Member State;
 - (iii) which matures within one year after the relevant date of calculation; and
 - (iv) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services, F1 or higher by Fitch Ratings Ltd, P-1 or higher by Moody's Investor Services Limited or an equivalent rating from any other appropriate rating agency, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (d) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
- (e) any investment in money market funds which (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1, higher by Fitch Ratings Ltd or P-1, higher by Moody's Investor Services Limited or an equivalent rating from any other appropriate rating agency, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a)

to (d) above and (iii) can be turned into cash on not more than 30 days' notice;
or

(f) any other debt security approved by the Lender (acting reasonably),

in each case, to which any Obligor is alone (or together with the other Obligors) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security (other than Security arising under the Transaction Security Documents).

"**CBCA**" means the Canada Business Corporation Act.

"**CBCA Director**" means the director appointed pursuant to section 260 of the CBCA.

"**Certain Funds Default**" means with respect to the Obligors any circumstances constituting an Event of Default:

- (a) under paragraphs 2.1(a), (b), (e), (f), (g) and (h) of Schedule 12 (*Events of Default*), Clause 26.2 (*Cross Acceleration*) and Clause 26.3 (*Repudiation and rescission of agreements*), and in each case ignoring any grace period provided for in Schedule 12 and Clause 26; and
- (b) under paragraph 2.1(d) of Schedule 12 and ignoring the grace period contained therein (but only insofar as that Event of Default arises from a breach of a Certain Funds Undertaking),

but in each, only insofar as these Events of Default relate to the Obligors (and for the avoidance of doubt not to the Target Group).

"**Certain Funds Period**" means the period commencing on the date of this Agreement and ending on the earlier of (i) the Closing Date and (ii) 31 December 2007.

"**Certain Funds Undertaking**" means in relation to the Obligors, the undertakings set out in Clause 23.3 (*Holding Companies*), Clause 23.6 (*Negative Pledge*), Clause 23.7 (*Disposals*) and Clause 23.9 (*Financial Indebtedness*).

"**Certain Funds Utilisation**" means a Utilisation made or to be made under Facility A during the Certain Funds Period.

"**Certificate of Arrangement**" means the certificate of arrangement in respect of the Plan of Arrangement issued by the CBCA Director under the CBCA.

"**Change of Control**" means the Original Investors cease to control, directly or indirectly the Parent, the Borrower or the Guarantor. For the purposes of this definition:

- (a) "**control**" of the Parent, the Borrower or the Guarantor means:
 - (i) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (A) cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general

meeting of the Parent, the Borrower or the Guarantor (as appropriate); or

(B) appoint or remove all, or the majority, of the directors or other equivalent officers of the Parent, the Borrower or the Guarantor (as appropriate); or

(C) give directions with respect to the operating and financial policies of the Parent, the Borrower or the Guarantor with which the directors or other equivalent officers of the Parent, the Borrower or the Guarantor (as appropriate) are obliged to comply; or

(ii) the holding beneficially of more than one-half of the issued share capital of the Parent, the Borrower or the Guarantor (as appropriate) (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

(b) "**acting in concert**" means, a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Parent, the Borrower or the Guarantor by any of them, either directly or indirectly, to obtain or consolidate control of the Parent, the Borrower or the Guarantor.

"**Charged Property**" means all of the assets of the Obligors or the Group, as the case may be, which from time to time are, or are expressed to be, the subject of the Transaction Security.

"**Clean-Up Date**" means the date falling 90 days after the later to occur of (i) the expiry of the Grace Period and (ii) the Call Option Exercise Date.

"**Closing Date**" means the date on which Completion occurs.

"**Commitment**" means a Facility A Commitment or a Facility B Commitment.

"**Completion**" means the completion of the Acquisition in accordance with the Plan of Arrangement on the Effective Date.

"**Consent Solicitation**" means the process whereby the Target seeks consent from the lenders under the Senior Loan Facility to maintain the Senior Loan Facility in place following Completion.

"**Constitutional Documents**" means in respect of the Borrower, its articles of association and in respect of the Guarantor, its articles and by-laws.

"**Default**" means an Event of Default or any event or circumstance specified in Clause 26 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"Disruption Event" means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facilities (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

(and which (in either such case)) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"Dissenting Shareholders Account" means an interest-bearing account:

- (a) held by the Guarantor at a bank in London to be approved by the Lender;
- (b) identified in a letter between the Guarantor and the Lender as a Dissenting Shareholders Account;
- (c) [intentionally left blank]; and
- (d) from which no withdrawals may be made except as contemplated by this Agreement,

as the same may be redesignated, substituted or replaced from time to time.

"Effective Date" means the date of the Certificate of Arrangement.

"Event of Default" means any event or circumstance specified as such in Clause 26 (*Events of Default*).

"Excess Cashflow" has the meaning given to that term from time to time in the Senior Loan Facility as at the date of Completion less all amounts due and payable by the Target under its Senior Loan Facility and the Target Notes.

"Facility" means Facility A or Facility B.

"Facility A" means the term loan facility made available under this Agreement as described in paragraph (a) of Clause 2.1 (*The Facilities*).

"Facility A Commitment" means:

- (a) in relation to the Lender, the amount under the heading "Facility A Commitment" in Part II of Schedule 1 (*The Original Parties*); and

- (b) in relation to any other Lender, the amount of any Facility A Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"Facility A Loan" means a loan made or to be made under Facility A or the principal amount outstanding for the time being of that loan which, for the avoidance of doubt, includes the outstanding amounts of Facility B which are added to the Facility A Loan in accordance with Clause 6.1 (*Repayment of Term Loans*).

"Facility A Repayment Date" means subject to the Grace Period, if applicable, each of the dates notified to the Borrower by the Lender which fall at six month intervals from and after the Call Option Exercise Date, and ending on the Termination Date.

"Facility B" means the term loan facility made available under this Agreement as described in paragraph (b) of Clause 2.1 (*The Facilities*).

"Facility B Commitment" means:

- (a) in relation to the Lender, the amount under the heading "Facility B Commitment" in Part II of Schedule 1 (*The Original Parties*); and
- (b) in relation to any other Lender, the amount of any Facility B Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement,

"Facility B Loan" means a loan made or to be made under Facility B or the principal amount outstanding for the time being of that loan.

"Final Order" means the final order of the Ontario Superior Court of Justice (Commercial List) approving the Plan of Arrangement, as such order may be amended by such court at any time prior to the Effective Date, or if appealed, then unless such appeal is withdrawn or denied, as affirmed or amended on appeal.

"Facility Office" means:

- (a) in respect of the Lender, the office or offices notified by the Lender to the Borrower in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement; or
- (b) in respect of any new Lender (as defined in Clause 28.1 (*Assignment and Transfers by the Lender*)), the office in the jurisdiction in which it is resident for tax purposes.

"Finance Documents" means this Agreement, any Accession Letter, any Compliance Certificate (as defined in Schedule 10 (*Information Undertakings*)), any Resignation Letter, any Transaction Security Document, any Utilisation Request and any other document designated as a "Finance Document" by the Lender and the Borrower and for the purposes of Clause 2.2 (*Obligors' Agent*) only, any Assignment Agreement.

"Finance Lease" means any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease.

"Financial Indebtedness" means any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of Finance Leases;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution of an entity which is not a member of the Group which liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the issuer) before the Termination Date or are otherwise classified as borrowings under the Accounting Principles);
- (i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 45 days after the date of supply;
- (j) any arrangement pursuant to which an asset sold or otherwise disposed of by that person may be re-acquired by a member of the Group (whether following the exercise of an option or otherwise);
- (k) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Principles; and
- (l) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (k) above.

"**Financial Quarter**" means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

"**Financial Year**" means the annual accounting period of the Group ending on or about 31 December in each year.

"**Fund Raising**" has the meaning given to that term in the Shareholder Agreement.

"**Grace Period**" means the period during which the Call Option has become exercisable (or been exercised) but Completion (as defined in the Call Option) has not occurred solely by reason that the Lender or the Guarantor has not obtained all regulatory approvals required for the Guarantor to become the legal owner of the Target **provided always that** the Guarantor has, not less than six month prior to the Call Option Exercise Date commenced applications for all regulatory approvals as are required by it to be able to become the legal owner of the Target and has used its best commercial efforts to obtain such approvals (in default of which no Grace Period shall apply).

"**Group**" means the Borrower and the Guarantor and, from the Call Option Exercise Date, shall include the Target and each of its Subsidiaries for the time being.

"**Hedging Arrangements**" means the currency hedging arrangements entered into by the Lender in order to ensure that it can lend to the Borrower the Acquisition Amount (as defined in paragraph (a) of Clause 3.1 (*Purpose*)), in Canadian dollars out of a drawing under Facility A.

"**Holding Company**" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"**IFRS**" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"**Interim Order**" means the interim order of the Ontario Superior Court of Justice (Commercial List), as the same may be amended pursuant to section 192/3 of the CBCA in connection with the Plan of Arrangement.

"**Interest Period**" means, in relation to a Loan, each period determined in accordance with Clause 12 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 11.3 (*Default interest*).

"**ITA**" means the Income Taxes Act 2007.

"**Joint Venture**" means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

"**Legal Reservations**" means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

- (b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and
- (d) any other matters which are set out as qualifications or reservations of law (but not of fact) expressed in any of the legal opinions issued to the Lender in connection with this Agreement.

"Lender" means:

- (a) the Lender; and
- (b) any bank, financial institution, trust, fund or other entity which becomes a party in accordance with Clause 28 (*Changes to the Lenders*),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

"Management Proxy Circular" means the notice of meeting and accompanying management proxy circular, including all appendices thereto, prepared by the Target and sent to its shareholders in respect of the Target Meeting.

"Mandatory Prepayment Account" means an interest-bearing account:

- (a) held by the Borrower at a bank in London to be approved by the Lender;
- (b) identified in a letter between the Borrower and the Lender as a Mandatory Prepayment Account;
- (c) [intentionally left blank]; and
- (d) from which no withdrawals may be made by any members of the Group except as contemplated by this Agreement,

as the same may be redesignated, substituted or replaced from time to time.

"Material Adverse Effect" means a material adverse effect on:

- (a) the business, operations, property, condition (financial or otherwise) or prospects of the Group taken as a whole; or
- (b) the ability of the Obligors (taken as a whole) to perform their obligations under the Finance Documents; or
- (c) the validity or enforceability of, or the effectiveness or ranking of any Security granted or purporting to be granted pursuant to any of, the Finance Documents or the rights or remedies of the Lender under any of the Finance Documents.

"Material Subsidiary" means, from the Call Option Exercise Date, a Subsidiary of the Target which has gross assets, net assets or turnover (excluding intra-group items)

representing [intentionally left blank] per cent., or more of the gross assets, net assets or turnover of the Group, calculated on a consolidated basis by reference to the annual accounts of the Group.

Compliance with the conditions set out above shall be determined by reference to the latest audited financial statements of that Subsidiary (consolidated in the case of a Subsidiary which itself has Subsidiaries) and the latest audited consolidated financial statements of the Group.

However, if a Subsidiary has been acquired since the date as at which the latest audited consolidated financial statements of the Group were prepared, the financial statements shall be deemed to be adjusted in order to take into account the acquisition of that Subsidiary.

A report by the Auditors of the Borrower that a Subsidiary is or is not a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all Parties.

"Month" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month.

The above rules will only apply to the last Month of any period. **"Monthly"** shall be construed accordingly.

"Obligor" means the Borrower or the Guarantor.

"Obligors' Agent" means the Borrower, appointed to act on behalf of each Obligor in relation to the Finance Documents pursuant to Clause 2.2 (*Obligors' Agent*).

"Original Investors" means Johannes Jacobus (Hans) Lipman, Victor Manuel Horcasitas, Johannes Joseph Maria (Hans) van Moorsel, Eric Maria Johannes Werner de Jong and Eric Marie Alain le Proux de la Riviere.

"Parent" means Communications Investment Partners Limited.

"Party" means a party to this Agreement.

"Permitted Disposal" means any sale, lease, licence, transfer or other disposal:

- (a) of trading stock or cash made by any member of the Group in the ordinary course of trading of the disposing entity;

- (b) of any asset by a member of the Group (the "**Disposing Company**") to another member of the Group (the "**Acquiring Company**"), but if:
 - (iii) the Disposing Company is an Obligor, the Acquiring Company must also be an Obligor;
 - (iv) the Disposing Company had given Security over the asset, the Acquiring Company must give equivalent Security over that asset; and
 - (v) the Disposing Company is a Guarantor, the Acquiring Company must be a Guarantor guaranteeing at all times an amount no less than that guaranteed by the Disposing Company;
- (c) of assets in exchange for other assets comparable or superior as to type, value or quality;
- (d) of obsolete or redundant vehicles, plant and equipment for cash;
- (e) of Cash Equivalent Investments for cash or in exchange for other Cash Equivalent Investments;
- (f) arising as a result of any Permitted Security;
- (g) of fixed assets where the proceeds of disposal are used within 6 months of that disposal to purchase replacement fixed assets comparable or superior as to type, value and quality; or
- (h) of assets (other than shares) for cash where the net consideration receivable (when aggregated with the net consideration receivable for any other sale, lease, licence, transfer or other disposal not allowed under the preceding paragraphs or as a Permitted Transaction) does not exceed \$30,000 (or its equivalent) in any Financial Year of the Borrower.

"Permitted Financial Indebtedness" means Financial Indebtedness arising under or in connection with this Agreement or in connection with the transaction contemplated by [intentionally left blank] and subject always to the terms of this Agreement.

"Permitted Security" means:

- (a) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any member of the Group;
- (b) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group but only so long as (i) such arrangement does not permit credit balances of Obligors to be netted or set off against debit balances of members of the Group which are not Obligors and (ii) such arrangement does not give rise to other Security over the assets of Obligors in support of liabilities of members of the Group which are not Obligors;

- (c) any Security or Quasi-Security over or affecting any asset acquired by a member of the Group after the Closing Date if:
 - (i) the Security or Quasi-Security was not created in contemplation of the acquisition of that asset by a member of the Group;
 - (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a member of the Group; and
 - (iii) the Security or Quasi-Security is removed or discharged within three months of the date of acquisition of such asset;
- (d) any Security or Quasi-Security over or affecting any asset of any company which becomes a member of the Group after the Closing Date, where the Security or Quasi-Security is created prior to the date on which that company becomes a member of the Group if:
 - (i) the Security or Quasi-Security was not created in contemplation of the acquisition of that company;
 - (ii) the principal amount secured has not increased in contemplation of or since the acquisition of that company; and
 - (iii) the Security or Quasi-Security is removed or discharged within 3 months of that company becoming a member of the Group;
- (e) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group;
- (f) any Security or Quasi-Security (existing as at the date of this Agreement) over assets of any member of the Target Group so long as the Security or Quasi-Security is irrevocably removed or discharged by no later than the Closing Date;
or
- (g) any Security securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of Security given by any member of the Group other than any permitted under paragraphs (a) to (f) above) does not exceed [intentionally left blank] (or its equivalent in other currencies).

"Permitted Transaction" means:

- (a) any disposal required, Financial Indebtedness incurred, guarantee, indemnity or Security or Quasi-Security given, or other transaction arising, under the Finance Documents;

- (b) the solvent liquidation or reorganisation of any member of the Group which is not an Obligor so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to other members of the Group;
- (c) transactions (other than (i) any sale, lease, license, transfer or other disposal and (ii) the granting or creation of Security or the incurring or permitting to subsist of Financial Indebtedness) conducted in the ordinary course of trading on arm's length terms' or
- (d) any transaction contemplated by [intentionally left blank].

"Plan Documents" means the Arrangement Agreement, the Plan of Arrangement, the Arrangement Resolution, the Certificate of Arrangement, the Articles of Arrangement, the Management Proxy Circular, the Shareholder Agreement, any side letter and all related documents and instruments.

"Plan of Arrangement" means the plan of arrangement in the form of Schedule C to the Arrangement Agreement.

"Plan Orders" means the Interim Order and the Final Order.

"Press Release" means any press release issued in connection with the Plan of Arrangement and the transactions contemplated thereby.

"Quarter Date" means each of 31 March, 30 June, 30 September and 31 December.

"Quasi-Security" has the meaning given to that term in Clause 23.6 (*Negative pledge*).

"Receiver" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"Relevant Interbank Market" means the London interbank market.

"Relevant Jurisdiction" means, in relation to an Obligor:

- (a) its jurisdiction of incorporation;
- (b) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated;
- (c) any jurisdiction where it conducts its business;
- (d) the jurisdiction whose laws govern the perfection of any of the Transaction Security Documents entered into by it.

"Relevant Period" means each period of twelve months ending on or about the last day of the Financial Year and each period of twelve months ending on or about the last day of each Financial Quarter.

"Repayment Instalment" means each instalment for repayment of the Term Loans referred to in Clause 6.1 (*Repayment of Term Loans*).

[intentionally left blank]

"**Security**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Senior Loan Facility**" means the second amended and restated senior loan facility of the Target with certain third party financial institutions dated 13 February 2006, as amended on 20 February 2007 and as further amended, varied and/or restated from time to time.

"**Shareholder Agreement**" means the shareholder agreement to be executed between the Trustee and the Target.

[intentionally left blank].

"**Subsidiary**" means in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly by the first mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

"**Target**" means Stratos Global Corporation, a company incorporated under the law of Canada.

"**Target Group**" means the Target and its Subsidiaries.

"**Target Meeting**" means the special meeting, including any adjournments or postponements thereof, of the Shareholders of the Target to be called and held in accordance with the interim Plan Order to consider and if deemed advisable, to approve the Arrangement Resolution.

"**Target Notes**" means the indenture governing the 9⁷/₈% senior notes of the Target due 15 February 2013.

"**Target Options**" means the outstanding options to purchase Target Shares issued pursuant to the amended and restated employee stock option plan of the Target dated 13 May 2004.

"**Target Shares**" means all of the shares of Target in respect of the share capital of Target.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Taxes Act**" means the Income and Corporation Taxes Act 1988.

"**Term Loan**" means a Facility A Loan or a Facility B Loan.

"**Termination Date**" means ten (10) years from the date of Completion.

"**Total Commitments**" means the aggregate of the Facility A Commitment and the Facility B Commitment at the date of this Agreement.

"**Transaction Documents**" means the Finance Documents, the Call Option Agreement, the Trust Agreement, the Plan Orders, the Plan Documents, the Plan of Arrangement and the Articles of Arrangement and any other document designated as a Transaction Document by the Lender and the Borrower.

"**Transaction Security**" means the Security created, evidenced or expressed to be created or evidenced pursuant to the Transaction Security Documents.

"**Transaction Security Documents**" means:

- (a) each of the following documents [intentionally left blank]
- (b) each of the documents [intentionally left blank]

together with [intentionally left blank].

"**Transfer Certificate**" means an agreement substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Lender and the Borrower.

"**Transfer Date**" means, in relation to an assignment or transfer, the later of:

- (a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and
- (b) the date on which the Lender executes the relevant Assignment Agreement or Transfer Certificate.

"**Treasury Transaction**" means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

"**Trustee**" means the trustee appointed pursuant to the Trust Agreement.

"**Trust Agreement**" means the trust agreement entered into on 2 April 2007 between the Guarantor and the Trustee.

"**Unpaid Sum**" means any sum due and payable but unpaid by an Obligor under the Finance Documents.

"**Utilisation**" means a Term Loan.

"**Utilisation Date**" means the date on which a Utilisation is made.

"**Utilisation Request**" means a notice substantially in the relevant form set out in Schedule 3 (*Requests*).

"**VAT**" means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

1.2 **Construction**

- (a) Unless a contrary indication appears a reference in this Agreement to:
- (i) any "**Lender**", any "**Obligor**", any "**Party**", any "**Secured Party**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - (ii) a document in "**agreed form**" is a document which is previously agreed in writing by or on behalf of the Parent/Borrower and the Lender or, if not so agreed, is in the form specified by the Lender;
 - (iii) "**assets**" includes present and future properties, revenues and rights of every description;
 - (iv) a "**Finance Document**" or a "**Transaction Document**" or any other agreement or instrument is a reference to that Finance Document or Transaction Document or other agreement or instrument as amended, novated, supplemented, extended, replaced or restated (in each case, however fundamentally);
 - (v) "**guarantee**" means (other than in Clause 18 (*Guarantee and Indemnity*)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
 - (vi) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (vii) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
 - (viii) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (ix) a provision of law is a reference to that provision as amended or re-enacted; and

- (x) a time of day is a reference to London time.
- (b) Section, Clause and Schedule headings are for ease of reference only.
- (c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
- (d) Unless a contrary indication appears and notwithstanding the provision in Clause 39 (Governing law), to the extent words and phrases (i) in Schedule 9 (Representations and Warranties) and Schedule 10 (Information Undertakings) have a different meaning under the laws of the Province of Ontario and the laws of Canada, and (ii) in Schedule 11 (General Undertakings) and Schedule 12 (Events of Default) have a different meaning in New York law, then such words and phrases shall be interpreted in accordance with the laws of the Province of Ontario and the laws of Canada or New York law as the case may be.
- (e) A Default is "**continuing**" if it has not been remedied or waived.

1.3 **Currency Symbols and Definitions**

"\$" and "**dollars**" denote the lawful currency of the United States of America and "**CAN\$**" and "**Canadian dollars**" denote the lawful currency of Canada.

1.4 **Third party rights**

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Agreement.

SECTION 2
THE FACILITIES

2. THE FACILITIES

2.1 The Facilities

Subject to the terms of this Agreement, the Lender makes available:

- (a) a term loan facility in an aggregate amount equal to the Facility A Commitment;
and
- (b) a term loan facility in an aggregate amount equal to the Facility B Commitment.

2.2 Obligors' Agent

(a) Each Obligor by its execution of this Agreement irrevocably appoints the Borrower to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:

- (i) the Borrower on its behalf to supply all information concerning itself contemplated by this Agreement to the Lender and to give all notices and instructions (including, in the case of the Borrower, Utilisation Requests), to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and
- (ii) each Lender to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Borrower,

and in each case the Obligor shall be bound as though the Obligor itself had given the notices and instructions (including, without limitation, any Utilisation Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

(b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.

3. **PURPOSE**

3.1 **Purpose**

- (a) The Borrower shall apply all amounts borrowed by it under Facility A towards:
 - (i) financing the consideration payable by the Guarantor in Canadian dollars to consummate the Acquisition (including any consideration payable in relation to any dissenting shareholder) of the Targets (the "**Acquisition Amount**");
 - (ii) any and all out of pocket costs of an Obligor, including the fees of its professional advisers, either paid by the Lender in connection with the Facilities prior to the Utilisation of the Facilities or otherwise incurred by the Parent or an Obligor in connection with the Facilities prior to such Utilisation; and
 - (iii) any and all fees, costs and expenses incurred by the Lender in connection with such Hedging Arrangements as are required in order for, indirectly, the Guarantor to consummate the Acquisition (including in relation to any dissenting shareholders), **provided that** supporting documentation is provided to the Borrower.
- (b) The Borrower shall apply all amounts borrowed by it under Facility B to finance the repurchase of the Target Notes by the Guarantor tendered in the mandatory tender offer for such Target Notes.

3.2 **Monitoring**

The Lender is not bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. **CONDITIONS OF UTILISATION**

4.1 **Initial conditions precedent**

The Lender will only be obliged to comply with Clause 5.4 (*Lender's participation*) in relation to any Utilisation if on or before the Utilisation Date for that Utilisation, the Lender has received all of the documents and other evidence listed in Part 1 Schedule 2 (*Conditions precedent*) in form and substance satisfactory to the Lender (acting reasonably). The Lender shall notify the Borrower promptly upon being so satisfied.

4.2 **Maximum number of Utilisations**

- (a) The Borrower may deliver two Utilisation Requests in respect of Facility A. The second Utilisation Request, which shall relate solely to transaction costs up to Completion, must be submitted no later than three months from the date of Completion.
- (b) The Borrower may only deliver one Utilisation Request in respect of Facility B.

4.3 **Utilisations for Facility A during the Certain Funds Period**

- (a) During the Certain Funds Period, the Lender will only be obliged to comply with Clause 5.4 (*Lender's participation*) for Facility A in relation to a Certain

Funds Utilisation, if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (i) all conditions precedent listed in Part 1 of Schedule 2 have been satisfied or waived in accordance with Clause 4.1;
 - (ii) it has not become unlawful for the Lender to perform any of its obligations under the Finance Documents;
 - (iii) no Certain Funds Default is continuing or would result from the proposed Utilisation;
 - (iv) all the representations contained in Clause 19 (*Representations Prior to Call Option Exercise Date*) are true in all material respects and will be true in all material respects after the proposed Utilisation;
 - (v) there has been no breach of the undertakings set out in Clause 23.4 (*Plan Documents, Plan Orders and Trust Agreement*), Clause 23.10 (*Amendments*), Clause 23.13 (*Plan of Arrangement*) and Clause 23.14 (*Press releases*) which is continuing for a period of 20 days or would result from the proposed Utilisation; and
 - (vi) there has been no Change of Control of the Borrower or the Guarantor.
- (b) During the Certain Funds Period (save in circumstances where, pursuant to paragraph (a) above, the Lender is not obliged to comply with Clause 5.4 (*Lender's participation*)), the Lender shall not be entitled to:
- (i) cancel any of its Facility A Commitment to the extent to do so would prevent or limit the making of a Certain Funds Utilisation;
 - (ii) rescind, terminate or cancel this Agreement or Facility A or exercise any similar right or remedy or make or enforce any claim under the Finance Documents it may have to the extent to do so would prevent or limit the making of a Certain Funds Utilisation for Facility A;
 - (iii) refuse to participate in the making of a Certain Funds Utilisation;
 - (iv) exercise any right of set-off or counterclaim in respect of a Utilisation to the extent to do so would prevent or limit the making of a Certain Funds Utilisation; or
 - (v) cancel, accelerate or cause repayment or prepayment of any amounts owing hereunder or under any other Finance Document to the extent to do so would prevent or limit the making of a Certain Funds Utilisation,

provided that immediately upon the expiry of the Certain Funds Period all such rights, remedies and entitlements shall be available to the Lender notwithstanding that they may not have been used or been available for use during the Certain Funds Period.

4.4 Availability of Facility B

Facility B will be made available during the Availability Period for Facility B.

4.5 Utilisation of Facility B

Subject to Clause 4.1 (*Initial conditions precedent*), the Lender will only be obliged to comply with Clause 5.4 (*Lender's participation*) for Facility B if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (a) an advance has been made under Facility A;
- (b) all the representations contained in Clause 19 (*Representations prior to the Call Option Exercise Date*) are true in all material respects and will be true in all material respects after the proposed Utilisation; and
- (c) no Default is continuing or would result from the proposed Utilisation.

SECTION 3 UTILISATION

5. UTILISATION - LOANS

5.1 Delivery of a Utilisation Request

The Borrower may utilise a Facility by delivery to the Lender of a duly completed Utilisation Request not later than the five Business Days prior to the Utilisation Date.

5.2 Completion of a Utilisation Request for Loans

- (a) Each Utilisation Request for a Loan is irrevocable and will not be regarded as having been duly completed unless:
 - (i) it identifies the Facility to be utilised;
 - (ii) the proposed Utilisation Date is a Business Day within the Availability Period applicable to that Facility;
 - (iii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and
 - (iv) the proposed Interest Period complies with Clause 12 (*Interest Periods*).
- (b) Multiple Utilisations may be requested in a Utilisation Request where the proposed Utilisation Date is the Closing Date. Only one Utilisation may be requested in each subsequent Utilisation Request.

5.3 Currency and amount

- (a) The amount of the proposed Utilisation must be:
 - (i) for Facility A US\$275,000,00, being
 - (A) an amount equal to the Acquisition Amount in Canadian dollars, or if less, the Available Facility; and
 - (B) any other amount of Facility A or, if less, the Available Facility, in US dollars;
 - (ii) an amount not greater than US\$151,500,000 for Facility B or, if less, the Available Facility.

5.4 Lender's participation

- (a) If the conditions set out in this Agreement have been met, the Lender shall make its participation in each Loan available by the Utilisation Date set forth in the Utilisation Request relating to such Loan.
- (b) The Lender shall determine the US dollar amount of the Facility A Loan which is made in Canadian dollars by converting the Canadian dollar amount back into US dollars at the rate(s) set in, or adjusted for in, the Hedging Arrangements.

5.5 **Cancellation of Commitment**

- (a) The Facility A Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period for Facility A.
- (b) The Facility B Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period for Facility B.

SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION

6. REPAYMENT

6.1 Repayment of Term Loans

- (a) From the Call Option Exercise Date and subject to paragraph (e) of this Clause 6.1, the Borrower shall repay the aggregate Facility A Loans in equal semi-annual instalments on each Facility A Repayment Date up to the Termination Date, details of which will be notified in writing by the Lender to the Borrower on the Call Option Exercise Date.
- (b) To the extent that Facility B is utilised, the Borrower shall repay the Facility B Loan by increasing each repayment of the Facility A Loan in clause 6.1(a) on a *pro rata* basis by the amount of such Facility B Loan.
- (c) The Borrower may not reborrow any part of a Term Loan which is repaid.

6.2 Effect of cancellation and prepayment on scheduled repayments and reductions

If the Facility A Commitment or Facility B Commitment of the Lender is reduced under Clause 7.1 (*Illegality*) or the Facility A Loan is prepaid in accordance with Clause 7 (*Illegality*), Clause 9.3 (*Disposal and Insurance Proceeds and Excess Cashflow*) or Clause 9.4 (*Application of mandatory prepayments*), then the amount of the Repayment Instalment for each Repayment Date falling after that cancellation or prepayment will reduce *pro rata* by the amount cancelled or prepaid.

7. ILLEGALITY

7.1 Illegality

If, at any time, it is or will become unlawful in any applicable jurisdiction for the Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in any Utilisation:

- (a) upon the Lender notifying the Borrower, the Commitment of the Lender will be immediately cancelled; and
- (b) the Borrower shall repay the Utilisations made to the Borrower on the last day of the Interest Period for each Utilisation occurring after the Lender has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Borrower (being no earlier than the last day of any applicable grace period permitted by law).

8. VOLUNTARY PREPAYMENT

8.1 Voluntary prepayment of the Facility A Loan

- (a) The Borrower may, if it gives the Lender not less than seven Business Days' (or such shorter period as the Lender may agree) prior notice, prepay the whole or any part of the Facility A Loan (but, if in part, being an amount that reduces the Facility A Loan by a minimum amount of £1,000,000).

- (b) The Facility A Loan may only be prepaid after the last day of the Availability Period (or, if earlier, the day on which the applicable Available Facility is zero).

9. MANDATORY PREPAYMENT

9.1 Exit

- (a) For the purpose of this Clause 9.1:

"**Flotation**" means:

- (i) a successful application being made for the admission of any part of the share capital of any member of the Group to the Official List of the UK Listing Authority and the admission of any part of the share capital of any member of the Group to trading on the London Stock Exchange plc; or
- (ii) the grant of permission to deal in any part of the issued share capital of any member of the Group on the Alternative Investment Market or the European Acquisition of Securities Dealers Automated Quotation System or on any recognised investment exchange (as that term is used in the Financial Services and Markets Act 2000) or in or on any exchange or market replacing the same or any other exchange or market in any country.

- (b) Upon the occurrence of:

- (i) any Flotation; or
- (ii) a Change of Control; or
- (iii) the sale of all or substantially all of the assets of the Group whether in a single transaction or a series of related transactions,

the Facilities will be cancelled and all outstanding Utilisations, together with accrued interest, and all other amounts accrued under the Finance Documents, shall become immediately due and payable.

9.2 Prepayments received prior to Call Option Exercise Date

- (a) From Completion until the Call Option Exercise Date any and all amounts received by the Guarantor either from the Trustee under the terms of the Trust Agreement or from the Target shall promptly, after the deduction of all Taxes on such amounts, be distributed to the Borrower; and
- (b) any and all amounts received by the Borrower from the Guarantor shall (subject to Clause 9.4(e) (*Application of Mandatory Prepayments*)) promptly, after the deduction of all Taxes on such amounts, be applied in accordance with Clause 9.4(e) (*Application of Mandatory Prepayments*):
 - (i) firstly against any current cash pay interest obligations under the Facility A Loan; and
 - (ii) secondly against all amounts of principal outstanding under the Facility A Loan *pro rata*.

9.3 **Disposal and Insurance Proceeds and Excess Cashflow**

- (a) For the purposes of this Clause 9.3, Clause 9.4 (*Application of mandatory prepayments*) and Clause 9.5 (*Mandatory Prepayment Accounts and Holding Accounts*):

"**Disposal**" means a sale, lease, licence, transfer, loan or other disposal by a person of any asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions).

"**Disposal Proceeds**" means the consideration receivable by any member of the Group (including any amount receivable in repayment of intercompany debt) for any Disposal made by any member of the Group except for Excluded Disposal Proceeds and after deducting:

- (i) any reasonable expenses which are incurred by any member of the Group with respect to that Disposal to persons who are not members of the Group;
- (ii) fees (including without limitation, legal fees) commissions and other out-of-pocket expenses incurred or paid by any member of the Group in connection with that disposal; and
- (iii) any Tax incurred and required to be paid by the seller in connection with that Disposal (as reasonably determined by the seller, on the basis of existing rates and taking account of any available credit, deduction or allowance).

"**Excluded Disposal Proceeds**" means:

- (i) the proceeds of any Disposal which is of assets made in the ordinary course of trading of the disposing entity and on arms length terms or the sale or resale of the telecommunications services (including satellite time) in the ordinary course of business;
- (ii) the proceeds of any Disposal which are applied or are intended by a member of the Group to be applied in the purchase of assets to be used in the business of the Group within 190 days of receipt of such proceeds;
- (iii) an individual Disposal where the proceeds from that Disposal are an amount less than [intentionally left blank] (or its currency equivalent) which when aggregated with the proceeds of other Disposals made in the same Financial Year of the Borrower do not exceed [intentionally left blank] (or its currency equivalent).
- (iv) the proceeds of any Disposal of any asset by a member of the Group (the "**Disposing Company**") to another member of the Group (the "**Acquiring Company**"), but if:
 - (A) the Disposing Company is an Obligor, the Acquiring Company must also be an Obligor;

- (B) the Disposing Company had given Security over the asset, the Acquiring Company must give equivalent Security over that asset; and
- (C) the Disposing Company is a Guarantor, the Acquiring Company must be a Guarantor guaranteeing at all times an amount no less than that guaranteed by the Disposing Company;
- (v) the proceeds of any Disposal of assets in exchange for other assets comparable or superior as to type, value or quality; or
- (vi) the proceeds of any Disposal of Cash Equivalent Investments for cash or in exchange for other Cash Equivalent Investments.

"Excluded Insurance Proceeds" means any proceeds of an insurance claim which the Borrower notifies the Lender are, or are to be, applied:

- (i) to meet a third party claim;
- (ii) to cover operating losses in respect of which the relevant insurance claim was made; or
- (iii) to the replacement, reinstatement and/or repair of the assets or otherwise in amelioration of the loss in respect of which the relevant insurance claim was made,

in each case as soon as possible (but in any event within 190 days, or such longer period as the Lender (acting reasonably) may agree) after receipt.

"Insurance Proceeds" means the proceeds of any insurance claim (excluding any business interruption element) received by any member of the Group except for Excluded Insurance Proceeds and after deducting any reasonable expenses in relation to that claim which are incurred by any member of the Group to persons who are not members of the Group.

- (b) From the Call Option Exercise Date the Borrower shall prepay Utilisations in the following amounts at the times and in the order of application contemplated by Clause 9.4 (*Application of mandatory prepayments*):
 - (i) the amount of Disposal Proceeds exceeding [intentionally left blank] in aggregate in any financial year;
 - (ii) the amount of Insurance Proceeds; and
 - (iii) the amount equal to [intentionally left blank]% of Excess Cashflow for any Financial Year of the Borrower.
- (c) A prepayment to be made under this Clause 9.3 (*Disposal and Insurance Proceeds and Excess Cashflow*) shall only be payable to the extent that the amounts due are capable of being upstreamed from the Target to the Borrower

and are permitted, under the Target Notes and Senior Loan Facility, as the case may be, to be upstreamed from the Target to the Borrower.

9.4 Application of mandatory prepayments

- (a) A prepayment made under Clause 9.3 (*Disposal and Insurance Proceeds and Excess Cashflow*) shall be applied in prepayment of the Facility A Loan as contemplated in paragraphs (b) to (g) inclusive below.
- (b) Unless the Borrower makes an election under paragraph (e) below, the Borrower shall prepay the Facility A Loan at the following times:
 - (i) in the case of any prepayment relating to the amounts of Disposal Proceeds or Insurance Proceeds promptly upon receipt of those proceeds; and
 - (ii) in the case of any prepayment relating to an amount of Excess Cashflow, within 14 days of delivery pursuant to paragraph 3 of Schedule 10 (*Information Undertakings*) of the annual consolidated accounts of the Group for the relevant Financial Year.
- (c) A prepayment under paragraph (b)(i) and (ii) of Clause 9.3 (*Disposal and Insurance Proceeds and Excess Cashflow*) shall be applied *pro rata* against all amounts outstanding under the Facility A Loan.
- (d) A prepayment under paragraph (b)(iii) of Clause 9.3 (*Disposal and Insurance Proceeds and Excess Cashflow*) shall:
 - (i) be applied against all cash pay interest obligations under the Facility A Loan; and
 - (ii) any excess thereafter shall be applied *pro rata* against all amounts outstanding under the Facility A Loan.
- (e) Subject to paragraph (f) below, the Borrower may, by giving the Lender not less than five Business Days (or such shorter period as the Lender may agree) prior written notice, elect that any prepayment under Clause 9.2 (*Prepayments received prior to Call Option Exercise Date*) and Clause 9.3 (*Disposal and Insurance Proceeds and Excess Cashflow*) be applied in prepayment of Facility A on the last day of the Interest Period relating to Facility A.
- (f) If the Borrower makes the election under paragraph (e) above then a proportion of Facility A Loan equal to the amount of the relevant prepayment will be due and payable on the last day of its Interest Period.
- (g) If the Borrower has made an election under paragraph (e) above but a Default has occurred and is continuing, that election shall no longer apply and a proportion of Facility A Loan in respect of which the election was made equal to the amount of the relevant prepayment shall be immediately due and payable (unless the Lender (acting reasonably) otherwise agrees in writing).

9.5 **Mandatory Prepayment Accounts**

- (a) The Borrower shall ensure that Disposal Proceeds, Insurance Proceeds, Excess Cashflow and any prepayment to be made pursuant to Clause 9.2 (*Prepayment received prior to the Call Option Exercise Date*), in each case, in respect of which the Borrower has made an election under paragraph (e) of Clause 9.4 (*Application of mandatory prepayments*) are paid into a Mandatory Prepayment Account as soon as reasonably practicable after receipt by a member of the Group.
- (b) The Borrower irrevocably authorises the Lender to apply amounts credited to the Mandatory Prepayment Account and to pay amounts due and payable under Clause 9.4 (*Application of mandatory prepayments*) and otherwise under the Finance Documents.
- (c) The Lender acknowledges and agrees that (i) interest shall accrue at normal commercial rates on amounts credited to the Mandatory Prepayment Account and that the account holder shall be entitled to receive such interest (which shall be paid in accordance with the mandate relating to such account) unless a Default is continuing and (ii) [intentionally left blank].

9.6 **Excluded proceeds**

Where Excluded Disposal Proceeds and Excluded Insurance Proceeds include amounts which are intended to be used for a specific purpose within a specified period (as set out in the relevant definition of Excluded Disposal Proceeds or Excluded Insurance Proceeds), the Borrower shall ensure that those amounts are used for that purpose and shall promptly deliver a certificate to the Lender at the time of such application and at the end of such period confirming the amount (if any) which has been so applied within the requisite time periods provided for in the relevant definition.

10. **RESTRICTIONS**

10.1 **Notices of Cancellation or Prepayment**

Any notice of cancellation, prepayment, authorisation or other election given by any Party under Clause 7 (*Illegality*), paragraph (e) of Clause 9.4 (*Application of Mandatory Prepayments*) or Clause 9.5 (*Mandatory Prepayment Accounts and Holding Accounts*) shall (subject to the terms of those Clauses) be irrevocable and, unless a contrary indication appears in this Agreement, any such notice shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

10.2 **Interest and other amounts**

Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

10.3 **No reborrowing of Term Facilities**

The Borrower may not reborrow any part of a Term Facility which is prepaid.

10.4 **Prepayment in accordance with Agreement**

The Borrower shall not repay or prepay all or any part of the Utilisations or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

10.5 **No reinstatement of Commitments**

No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

SECTION 5
COSTS OF UTILISATION

11. INTEREST

11.1 Calculation of interest

- (a) The rate of interest on Facility A and Facility B for the period from the date of this Agreement to the Call Option Exercise Date will be a fixed PIK rate of interest at 5.75% per annum.
- (b) Subject to Clause 11.2(b), the rate of interest on Facility A and Facility B for the period from the Call Option Exercise Date to 31 December 2010 (inclusive) will be a fixed cash pay rate of interest at 5.75% per annum.
- (c) The rate of interest on Facility A and Facility B from 1 January 2011 will be a fixed cash pay rate of interest at 11.5% per annum.

11.2 Payment of interest

- (a) Interest calculated according to paragraph 11.1(a) shall be capitalised at the end of each Interest Period and shall be added to the amount of the Facility A Loan.
- (b) Interest calculated according to paragraph 11.1(b) and (c) shall be payable by the Borrower on the last day of each Interest Period, **provided that** [intentionally left blank].
- (c) In the case of Interest Periods of longer than six months, interest calculated according to paragraph 10.1(b) and (c), as the case may be, shall be payable on the dates falling at six monthly intervals after the first day of the Interest Period.

11.3 Default interest

- (a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is one per cent. higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Lender (acting reasonably). Any interest accruing under this Clause 11.3 shall be immediately payable by the Borrower on demand by the Lender.
- (b) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:
 - (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and
 - (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be one per cent. higher than the rate which would have applied if the overdue amount had not become due.

- (c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

11.4 **Notification of rates of interest**

The Lender shall promptly notify the Borrower of the determination of a rate of interest under this Agreement.

12. **INTEREST PERIODS**

12.1 **Selection of Interest Periods**

- (a) The Interest Periods for each Term Loan shall be three months, or any other period agreed between the Borrower and the Lender (acting reasonably).
- (b) An Interest Period for a Loan shall not extend beyond the Termination Date.
- (c) Each Interest Period for a Term Loan shall start on the Utilisation Date applicable to such Term Loan or (if already made) on the last day of its preceding Interest Period.

12.2 **Non-Business Days**

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

13. **CHANGES TO THE CALCULATION OF INTEREST**

13.1 **Break Costs**

The Borrower shall, within three Business Days of demand by the Lender, pay to the Lender its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by the Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.

SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS

14. TAX GROSS-UP AND INDEMNITIES

14.1 Definitions

(a) In this Agreement:

"**Tax Credit**" means a credit against, relief or remission for, or repayment of, any Tax.

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Finance Document.

"**Tax Payment**" means either the increase in a payment made by an Obligor to a Finance Party under Clause 14.2 (*Tax gross-up*) or a payment under Clause 14.3 (*Tax indemnity*).

Unless a contrary indication appears, in this Clause a reference to "**determines**" or "**determined**" means a determination made in the absolute discretion of the person making the determination.

14.2 Tax gross-up

- (a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Borrower shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Lender accordingly.
- (c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (e) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Lender evidence reasonably satisfactory to the Lender that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

14.3 Tax indemnity

- (a) The Borrower shall (within three Business Days of demand by the Lender) pay to the Lender an amount equal to the loss, liability or cost which the Lender determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.

- (b) Paragraph (a) above shall not apply:
 - (i) with respect to any Tax assessed on the Lender:
 - (A) under the law of the jurisdiction in which the Lender is incorporated or, if different, the jurisdiction (or jurisdictions) in which the Lender is treated as resident for tax purposes; or
 - (B) under the law of the jurisdiction in which the Lender's Facility Office, if appropriate, is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by the Lender; or
 - (ii) to the extent a loss, liability or cost:
 - (A) is compensated for by an increased payment under Clause 14.2 (*Tax gross-up*); or
 - (B) would have been compensated for by an increased payment under Clause 14.2 (*Tax gross-up*) but was not so compensated solely because one of the exclusions in paragraph (d) of Clause 14.2 (*Tax gross-up*) applied.

14.4 **Tax Credit**

If an Obligor makes a Tax Payment and the Lender determines that:

- (a) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part or to that Tax Payment; and
- (b) the Lender has obtained, utilised and retained that Tax Credit,

the Lender shall pay an amount to the Obligor which the Lender determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

14.5 **Stamp taxes**

The Borrower shall pay and, within three Business Days of demand, indemnify the Lender against any cost, loss or liability the Lender incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

14.6 **Value added tax**

- (a) All amounts set out, or expressed to be payable under a Finance Document by any Party to the Lender which (in whole or in part) constitute the consideration for a supply for VAT purposes shall be deemed to be exclusive of any VAT which is chargeable on such supply, and accordingly, subject to paragraph (c) below, if VAT is chargeable on any supply made by the Lender to any Party under a Finance Document, that Party shall pay to the Lender (in addition to and at the same time as paying the consideration) an amount equal to the amount of

the VAT (and the Lender shall promptly provide an appropriate VAT invoice to such Party).

- (b) If VAT is chargeable on any supply made by the Lender (the "**Supplier**") to any other Party (the "**Recipient**") under a Finance Document, and any Party (the "**Relevant Party**") is required by the terms of any Finance Document to pay an amount equal to the consideration for such supply to the Supplier (rather than being required to reimburse the Recipient in respect of that consideration), such Party shall also pay to the Supplier (in addition to and at the same time as paying such amount) an amount equal to the amount of such VAT. The Recipient will promptly pay to the Relevant Party an amount equal to any credit or repayment from the relevant tax authority which it reasonably determines relates to the VAT chargeable on that supply.
- (c) Where a Finance Document requires any Party to reimburse the Lender for any costs or expenses, that Party shall also at the same time pay and indemnify the Lender against all VAT incurred by the Lender in respect of the costs or expenses to the extent that the Lender reasonably determines that neither it nor any other member of any group of which it is a member for VAT purposes is entitled to credit or repayment from the relevant tax authority in respect of the VAT.

15. **INCREASED COSTS**

15.1 **Increased costs**

- (a) Subject to Clause 15.3 (*Exceptions*) the Borrower shall, within three Business Days of a demand by the Lender, pay for the account of the Lender the amount of any Increased Costs incurred by the Lender or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the date of this Agreement.
- (b) In this Agreement "**Increased Costs**" means:
 - (i) a reduction in the rate of return from a Facility or on the Lender's (or its Affiliate's) overall capital;
 - (ii) an additional or increased cost; or
 - (iii) a reduction of any amount due and payable under any Finance Document, which is incurred or suffered by the Lender or any of its Affiliates to the extent that it is attributable to the Lender having entered into its Commitment or funding or performing its obligations under any Finance Document.

15.2 **Increased cost claims**

- (a) The Lender shall notify the Borrower promptly of the event giving rise to the claim if it intends to make a claim pursuant to Clause 15.1 (*Increased Costs*).
- (b) The Lender shall, as soon as practicable after a demand by the Borrower, provide a certificate confirming the amount of its Increased Costs.

15.3 **Exceptions**

- (a) Clause 15.1 (*Increased costs*) does not apply to the extent any Increased Cost is:
 - (i) attributable to a Tax Deduction required by law to be made by an Obligor;
 - (ii) compensated for by Clause 14.3 (*Tax indemnity*) (or would have been compensated for under Clause 14.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 14.3 (*Tax indemnity*) applied); or
 - (iii) attributable to the wilful breach by the Lender or its Affiliates of any law or regulation.
- (b) In this Clause 15.3 reference to a "**Tax Deduction**" has the same meaning given to the term in Clause 14.1 (*Definitions*).

16. **OTHER INDEMNITIES**

16.1 **Currency indemnity**

- (a) If any sum due from an Obligor under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:
 - (i) making or filing a claim or proof against that Obligor; or
 - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,that Obligor shall as an independent obligation, within three Business Days of demand, indemnify the Lender against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.
- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

16.2 **Other indemnities**

The Borrower shall (or shall procure that an Obligor will), within three Business Days of demand, indemnify the Lender against any cost, loss or liability incurred by it as a result of:

- (a) the occurrence of any Event of Default;
- (b) a failure by an Obligor to pay any amount due under a Finance Document on its due date;
- (c) funding, or making arrangements to fund, a Utilisation requested by a Borrower in a Utilisation Request but not made by reason of the operation of any one or

more of the provisions of this Agreement (other than by reason of default or negligence by the Lender alone); or

- (d) a Utilisation (or part of a Utilisation) not being prepaid in accordance with a notice of prepayment given by the Borrower or the Parent.

16.3 **Indemnity to the Lender**

The Borrower shall promptly indemnify the Lender against any cost, loss or liability incurred by the Lender (acting reasonably) as a result of:

- (a) investigating any event which it reasonably believes is a Default;
- (b) entering into or performing any foreign exchange contract for the purposes of paragraph (b) of Clause 31.7 (*Change of currency*); or
- (c) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised.

17. **MITIGATION BY THE LENDER**

17.1 **Mitigation**

- (a) The Lender shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality*), Clause 14 (*Tax gross-up and indemnities*) or Clause 15 (*Increased Costs*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

17.2 **Limitation of liability**

- (a) The Borrower shall indemnify the Lender for all costs and expenses reasonably incurred by the Lender as a result of steps taken by it under Clause 17.1 (*Mitigation*).
- (b) The Lender is not obliged to take any steps under Clause 17.1 (*Mitigation*) if, in the opinion of the Lender (acting reasonably), to do so might be prejudicial to it.

SECTION 7 GUARANTEE

18. GUARANTEE AND INDEMNITY

18.1 Guarantee and indemnity

The Guarantor irrevocably and unconditionally:

- (a) guarantees to the Lender punctual performance by each Obligor of all that Obligor's obligations under the Finance Documents;
- (b) undertakes with the Lender that whenever an Obligor does not pay any amount when due under or in connection with any Finance Document, the Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) indemnifies the Lender immediately on demand against any cost, loss or liability suffered by the Lender if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which the Lender would otherwise have been entitled to recover.

18.2 Continuing Guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

18.3 Reinstatement

If any payment by an Obligor or any discharge given by the Lender (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of each Obligor shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) the Lender shall be entitled to recover the value or amount of that security or payment from each Obligor, as if the payment, discharge, avoidance or reduction had not occurred.

18.4 Waiver of defences

The obligations of the Guarantor under this Clause 18 will not be affected by an act, omission, matter or thing which, but for this Clause 18, would reduce, release or prejudice any of its obligations under this Clause 18 (without limitation and whether or not known to it or the Lender) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of a Finance Document or any other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

18.5 Guarantor Intent

Without prejudice to the generality of Clause 18.4 (*Waiver of Defences*), the Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental and of whatsoever nature and whether or not more onerous) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

18.6 Immediate recourse

The Guarantor waives any right it may have of first requiring the Lender (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor under this Clause 18. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

18.7 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, the Lender (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Lender (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Guarantor shall not be entitled to the benefit of the same; and

- (b) hold in an interest-bearing suspense account any money received from the Guarantor or on account of the Guarantor's liability under this Clause 18.

18.8 Deferral of Guarantors' rights

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Lender otherwise directs, the Guarantor will not exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents; and/or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by the Lender.

If the Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Lender by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Lender and shall promptly pay or transfer the same to the Lender or as the Lender may direct for application in accordance with Clause 34 (*Payment mechanics*) of this Agreement.

18.9 Release of Guarantors' right of contribution

If any Guarantor (a "**Retiring Guarantor**") ceases to be a Guarantor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Guarantor then on the date such Retiring Guarantor ceases to be a Guarantor:

- (a) that Retiring Guarantor is released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Finance Documents; and
- (b) each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Guarantor.

18.10 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Lender.

18.11 Guarantee Limitations

This guarantee does not apply to any liability to the extent that it would result in this guarantee constituting unlawful financial assistance within the meaning of Section 151 of

the Companies Act 1985 or any equivalent and applicable provisions under the laws of the jurisdiction of incorporation of the Guarantor.

SECTION 8
REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

19. REPRESENTATIONS PRIOR TO CALL OPTION EXERCISE DATE

19.1 General

From the date of this Agreement up to the Call Option Exercise Date, each Obligor makes the representations and warranties set out in this Clause 19 to the Lender.

Status, authorisations and governing law

19.2 Status

- (a) It is a limited liability corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- (b) It has the power to own its assets and carry on its business as it is being conducted.

19.3 Binding obligations

Subject to the Legal Reservations:

- (a) the obligations expressed to be assumed by it in each Transaction Document to which it is a party are legal, valid, binding and enforceable obligations; and
- (b) (without limiting the generality of paragraph (a) above), each Transaction Security Document to which it is a party creates the security interests which that Transaction Security Document purports to create and those security interests are valid and effective.

19.4 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Transaction Documents and the granting of the Transaction Security pursuant to the Agreed Security Principles do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its Constitutional Documents; or
- (c) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

19.5 Power and authority

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is or will be a party and the transactions contemplated by those Transaction Documents.
- (b) No limit on its powers will be exceeded as a result of the borrowing, grant of security or giving of guarantees or indemnities contemplated by the Transaction Documents to which it is a party.

19.6 **No default**

- (a) No Event of Default and, on the date of this Agreement and the Closing Date, no Default is continuing or is reasonably likely to result from the making of any Utilisation or the entry into, the performance of, or any transaction contemplated by, any Transaction Document.
- (b) No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on it or to which its assets are subject which has or is reasonably likely to have a Material Adverse Effect.

19.7 **Holding Companies**

Except as may arise under the Transaction Documents and for Acquisition Costs, neither the Borrower nor the Guarantor have traded or incurred any liabilities or commitments (actual or contingent, present or future) other than in the case of (i) the Borrower acting as a Holding Company of the Guarantor or (ii) the Guarantor acting as Holding Company of the Target.

19.8 **Times when representations made**

- (a) All the representations and warranties in this Clause 19 are made by each Obligor on the date of this Agreement.
- (b) All the representations and warranties in this Clause 19 are deemed to be made by each Obligor on the Closing Date.
- (c) All the representations and warranties in this Clause 19 are deemed to be made by each Obligor on the date of each Utilisation Request, on each Utilisation Date and on the first day of each Interest Period.
- (d) Each representation or warranty deemed to be made after the date of this Agreement shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

20. **REPRESENTATIONS FROM CALL OPTION EXERCISE DATE**

- (a) From and including the Call Option Exercise Date, each Obligor makes the representations and warranties set out in Clause 19.7 (*Holding Companies*) and Schedule 9 (*Representations and Warranties*) to the Lender.
- (b) For the avoidance of doubt, it is confirmed that the representations and warranties set out in Schedule 9 replicate, amended as appropriate (the "**Further Amendments**"), the representations and warranties contained in the Senior Loan Facility as at the date hereof. If the representations and warranties in the Senior Loan Facility are amended from time to time, then the representations and warranties set out in Schedule 9 will be deemed to be amended to the same extent as those in the Senior Loan Facility, taking into account the Further Amendments and the transaction contemplated herein.

- (c) Each representation or warranty deemed to be made after the Call Option Exercise Date shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

21. INFORMATION UNDERTAKINGS PRIOR TO CALL OPTION EXERCISE DATE

The undertakings in this Clause 21 remain in force from the date of this Agreement up to the Call Option Exercise Date.

21.1 Information: miscellaneous

Each Obligor shall supply to the Lender, at the same time as they are dispatched, copies of all documents and information:

- (a) dispatched by any Obligor to their shareholders generally (or any class of them);
or
- (b) dispatched by any Obligor to its creditors generally (or any class of them); or
- (c) despatched by any Obligor to the Trustee.

21.2 Notification of default

- (a) Each Obligor shall notify the Lender of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).
- (b) Promptly upon a request by the Lender, the Borrower shall supply to the Lender a certificate signed by two of its directors or senior officers on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).
- (c) Each Obligor shall notify the Lender of any default or notices of default of any provision of the Target Notes and for the Senior Loan Facility (and the steps, if any, being taken to remedy it) promptly upon becoming aware of the occurrence of such default or the receipt of such notices.

21.3 "Know your customer" checks

- (a) If:
 - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
 - (ii) any change in the status of an Obligor or the composition of the shareholders of an Obligor after the date of this Agreement; or
 - (iii) a proposed assignment or transfer by the Lender of any of its rights and/or obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied with the results of all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (b) The Borrower shall, by not less than ten Business Days' prior written notice to the Lender, notify the Lender of its intention to request that one of its Subsidiaries becomes an Additional Guarantor pursuant to Clause 28 (*Changes to the Obligors*).
- (c) Following the giving of any notice pursuant to paragraph (b) above, if the accession of such Additional Guarantor obliges the Lender to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrower shall promptly upon the request of the Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Lender (for itself or on behalf of any prospective new Lender) in order for the Lender or any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to this Agreement as an Additional Guarantor.

21.4 **Target Information**

For the avoidance of doubt, it is confirmed that prior to the Call Option Exercise Date, there is no obligation on the Target or its subsidiaries to deliver any of the information set out in this Clause 21 to the Lender.

22. **INFORMATION UNDERTAKINGS FROM CALL OPTION EXERCISE DATE**

- (a) The undertakings set out in Schedule 10 (*Information Undertakings*) remain in full force from the Call Option Exercise Date.
- (b) For the avoidance of doubt, it is confirmed that the information undertakings set out in Schedule 10 replicate, with Further Amendments, the information undertakings contained in the Senior Loan Facility. If the information undertakings in the Senior Loan Facility are amended from time to time, then the information undertakings set out in Schedule 10 will be deemed to be amended to the same extent as those in the Senior Loan Facility, taking into account the Further Amendments and the transaction contemplated herein.

23. **GENERAL UNDERTAKINGS PRIOR TO CALL OPTION EXERCISE DATE**

The undertakings in this Clause 23 remain in force for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

23.1 **Structure**

The Borrower shall [intentionally left blank].

23.2 **Compliance**

Each Obligor shall comply with and do all that is necessary to maintain in full force and effect the Transaction Documents (including, for the avoidance of doubt, any obligation to pay any dissenting shareholders of the Target sums due from the proceeds of Facility A where and when such shareholders are required to be paid):

- (a) to enable each Obligor to perform its obligations under the Transaction Documents; and
- (b) to ensure the legality, validity, enforceability or admissibility in evidence of any Transaction Document.

23.3 **Holding Companies**

Neither the Borrower nor the Guarantor shall trade, carry on any business, own any assets or incur any liabilities except for:

- (a) the provision of administrative services to other members of the Group of a type customarily provided by a holding company to its Subsidiaries;
- (b) the performance of its duties and/or or obligations under the Transaction Documents;
- (c) ownership of shares, directly or indirectly, in its Subsidiaries, intra-Group debit balances, intra-Group credit balances and other credit balances in bank accounts, cash and Cash Equivalent Investments but only if, after the Call Option Exercise Date, those shares, credit balances, cash and Cash Equivalent Investments are subject to the Transaction Security;
- (d) any liabilities under the Transaction Documents to which it is a party and professional fees and administration costs in the ordinary course of business as a holding company.

23.4 **Plan Documents, Plan Orders and Trust Agreement**

Each Obligor shall promptly pay all amounts payable under the Plan Documents, the Plan Orders and the Trust Agreement as and when they become due (except to the extent that any such amounts are being contested in good faith by any Obligor where adequate reserves are set aside for any such payment).

23.5 **Transaction Documents**

Each Obligor shall take all commercially reasonable and practical steps to preserve and enforce its rights and pursue any claims and remedies arising under any Transaction Document.

23.6 **Negative pledge**

In this Clause 23.6, "**Quasi-Security**" means a transaction described in paragraph (b) below.

Except as permitted under paragraph (c) below:

- (a) No Obligor shall create or permit to subsist any Security over any of its assets.
- (b) No Obligor shall:
 - (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor;
 - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (iv) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.
- (c) Paragraphs (a) and (b) above do not apply to any Security or (as the case may be) Quasi-Security, which is:
 - (i) Permitted Security; or
 - (ii) a Permitted Transaction.

23.7 **Disposals**

- (a) Except as permitted under paragraph (b) below, no Obligor shall enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset.
- (b) Paragraph (a) above does not apply to any sale, lease, transfer or other disposal which is:
 - (i) a Permitted Disposal; or
 - (ii) a Permitted Transaction.

23.8 **Share capital**

- (a) No Obligor shall [intentionally left blank] or anything of a similar nature or resolve to do so.
- (b) No Obligor shall [intentionally left blank] .

23.9 **Financial Indebtedness**

- (a) Except as permitted under paragraph (b) below, no Obligor shall incur or allow to remain outstanding any Financial Indebtedness.
- (b) Paragraph (a) above does not apply to Financial Indebtedness which is:
 - (i) Permitted Financial Indebtedness; or
 - (ii) a Permitted Transaction.

23.10 **Amendments**

- (a) No Obligor shall:
 - (i) amend, vary, novate, supplement, supersede, waive or terminate, or seek to or consent to amend, vary, novate, supplement, supersede, waive or terminate any term of [intentionally left blank]; or
 - (ii) exercise any right, determination or approval, consent or enforcement rights relating to [intentionally left blank],

[intentionally left blank].
- (b) The Borrower, or the Guarantor as the case may be, shall promptly supply to the Lender a copy of any document relating to any of the matters referred to in paragraph (a) above.

23.11 **Dissenting Shareholders Account**

- (a) The Guarantor shall ensure that if, on the Closing Date, it is unable to pay the full amount of the acquisition consideration (the "**Unpaid Consideration**") to the holders of the Target Shares due to the existence of a number of dissenting shareholders (the "**Dissenting Shareholders**"), then the Unpaid Consideration shall be paid into the Dissenting Shareholders Account.
- (b) The Lender irrevocably authorises the Guarantor to apply the Unpaid Consideration credited to the Dissenting Shareholders Account to pay amounts due to be paid to the Dissenting Shareholder when they fall due.
- (c) The Lender acknowledges and agrees that (i) interest shall accrue at normal commercial rates on amounts credited to the Dissenting Shareholders Account and the account holder shall be entitled to receive such interest (which shall be paid in accordance with the mandate relating to such account) unless a Default is continuing and (ii) [intentionally left blank].

23.12 **Further assurance**

- (a) Subject to the Agreed Security Principles, each Obligor shall (and the Parent shall procure that each Obligor will) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Lender may reasonably specify (and in such form as the Lender may reasonably require in favour of the Lender):

- (i) to perfect the Security created or intended to be created under or evidenced by the Transaction Security Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights powers and remedies of the Lender provided by or pursuant to the Finance Documents or by law;
 - (ii) to maintain at all times the fully paid up nature and transferability of the shares which are the subject of the Call Option; and/or
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.
- (b) Subject to the Agreed Security Principles each Obligor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Lender by or pursuant to the Finance Documents.

23.13 Plan of Arrangement

Each Obligor shall:

- (a) keep the Lender informed as to the progress of [intentionally left blank];
- (b) not confirm satisfaction with or waiver, any conditions contained in [intentionally left blank];
- (c) promptly [intentionally left blank]:
 - (i) [intentionally left blank];
 - (ii) [intentionally left blank];
 - (iii) [intentionally left blank].

23.14 Press releases

[intentionally left blank].

23.15 Certificate of Status

The Guarantor shall provide to the Lender on each anniversary of the date of this Agreement an up to date certificate of compliance issued by the applicable New Brunswick corporate authorities in respect of itself.

24. LENDER UNDERTAKINGS

Neither the Lender nor any of its officers, directors, employees, shareholders or Affiliates shall communicate with the Trustee regarding the operations or management of the Target.

25. **GENERAL UNDERTAKINGS POST CALL OPTION EXERCISE DATE**

- (a) From the Call Option Exercise Date the undertakings contained in Clause 23 (*General Undertakings*) and Schedule 11 (*General Undertakings*) remain in force for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.
- (b) For the avoidance of doubt, it is confirmed that the undertakings set out in Schedule 11 replicate, with Further Amendments as appropriate, the undertakings contained in the Target Notes as at the date hereof (and such undertakings shall remain in full force and effect hereunder notwithstanding that the Target Notes may be repurchased from the proceeds of Utilisation under Facility B). If the undertakings in the Target Notes are amended from time to time, then the undertakings set out in Schedule 11 will be deemed to be amended to the same extent as those in the Target Notes, taking into account the Further Amendments and the transaction contemplated herein.

26. **EVENTS OF DEFAULT**

- (a) Each of the events or circumstances set out in this Clause 26 and Schedule 12 (*Events of Default*) is an Event of Default (save for Clause 26.4 (*Acceleration*) and Clause 26.5 (*Clean-Up Period*)).
- (b) For the avoidance of doubt, it is confirmed that the Events of Default set out in Schedule 12 replicate, with Further Amendments as appropriate, the Events of Default set out in the Target Notes as at the date hereof. If such Events of Default are amended from time to time, then the Events of Default set out in Schedule 12 will be deemed to be amended to the same extent as those in the Target Notes, taking into account the Further Amendments and the transaction contemplated herein.
- (c) The Events of Default set out in this Clause and in Schedule 12 only apply to the Borrower and the Guarantor until the Call Option Exercise Date, and thereafter shall apply to the Group.

26.2 **Cross acceleration**

Any Financial Indebtedness of the Target Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

26.3 **Repudiation and rescission of agreements**

An Obligor (or any other relevant party other than the Lender) rescinds or purports to rescind or repudiates or purports to repudiate a Transaction Document or any of the Transaction Security or evidences an intention to rescind or repudiate a Transaction Document or any Transaction Security.

26.4 **Acceleration**

On and at any time after the occurrence of an Event of Default which is continuing the Lender may, by notice to the Borrower:

- (a) cancel the Total Commitments at which time they shall immediately be cancelled;
- (b) declare that all or part of the Utilisations, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable;
- (c) declare that all or part of the Utilisations be payable on demand, at which time they shall immediately become payable on demand by the Lender;
- (d) exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

26.5 **Clean-Up Period**

Notwithstanding any other provision of any Finance Document:

- (a) any breach of a representation or an undertaking; or
- (b) any Event of Default,

(other than a representation, undertaking or Event of Default relating to a payment or a non-payment) during the period of ninety days from the later to occur of (i) expiry of the Grace Period (if applicable) and (ii) the Call Option Exercise Date, will be deemed not to be a breach of representation, undertaking or an Event of Default (as the case may be) if:

- (i) it would have been (if it were not for this provision) a breach of representation or undertaking or an Event of Default only by reason of circumstances relating exclusively to any member of the Target Group (or any obligation to procure or ensure in relation to a member of the Target Group);
 - (ii) the circumstances giving rise to it have not been procured by or approved by any Obligor; and
 - (iii) it is not reasonably likely to have a Material Adverse Effect.
- (c) If the relevant circumstances are continuing on or after the Clean-up Date, there shall be a breach of representation or undertaking or Event of Default, as the case may be notwithstanding the above (and without prejudice to the rights and remedies of the Lender).
 - (d) An Event of Default or breach of any representation or undertaking shall not be deemed to have occurred by reason of any breach of representation, undertaking or non-payment following the Call Option Exercise Date if such Event of Default (other than a non-payment Event of Default) or breach relates to the Target or any of its Subsidiaries and occurs at any time during the Grace period.

27. [INTENTIONALLY LEFT BLANK]

**SECTION 9
CHANGES TO PARTIES**

28. CHANGES TO THE LENDERS

28.1 Assignments and transfers by the Lender

Subject to this Clause 28, a Lender (the "**Existing Lender**") may:

- (a) assign any of its rights; or
- (b) transfer by novation any of its rights and obligations,

under any Finance Document to a bank, financial institution, trust, fund or other entity which is engaged in or established for the purposes of making, purchasing or investing in loans, security or other financial assets (the "**New Lender**") at any time following the date of Completion.

28.2 Conditions of assignment or transfer

(a) Until the Call Option Exercise Date, an Existing Lender may not make an assignment or transfer in accordance with Clause 28.1 (*Assignments and transfers by the Lenders*) to:

- (i) Inmarsat Global Limited.;
- (ii) Inmarsat Ventures Limited.;
- (iii) any entity that controls or is controlled by or is under common control with Inmarsat Global Limited. or Inmarsat Ventures Limited..

(b) If:

- (i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents; and
- (ii) as a result of circumstances existing at the date the assignment or transfer occurs, an Obligor would be obliged to make a payment to the New Lender under Clause 14 (*Tax gross-up and indemnities*) or Clause 15 (*Increased Costs*),

then the New Lender is only entitled to receive payment under those Clauses to the same extent as the Existing Lender would have been if the assignment, transfer or change had not occurred.

28.3 Limitation of responsibility of Existing Lenders

(a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

- (i) the legality, validity, effectiveness, adequacy or enforceability of the Transaction Documents, the Transaction Security or any other documents;
- (ii) the financial condition of any Obligor;

- (iii) the performance and observance by any Obligor or any other member of the Group of its obligations under the Transaction Documents or any other documents; or
 - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Transaction Document or any other document,

and any representations or warranties implied by law are excluded.
- (b) Each New Lender confirms to the Existing Lender or other Lenders, as the case may be, and the Secured Parties that it:
 - (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Transaction Document or the Transaction Security; and
 - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
 - (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 28; or
 - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Transaction Documents or otherwise.

28.4 Procedure for transfer

- (a) Subject to the conditions set out in Clause 28.2 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (b) below when the Existing Lender and the New Lender execute duly completed Transfer Certificate.
- (b) On the Transfer Date:
 - (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents and in respect of the Transaction Security each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and in respect of the Transaction Security and their respective rights against one another under the Finance Documents and in respect of the Transaction Security shall be cancelled (being the "**Discharged Rights and Obligations**");

- (ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;
- (iii) the New Lender shall become a Party as a "Lender".

28.5 Procedure for assignment

- (a) Subject to the conditions set out in Clause 28.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (b) below when the Existing Lender and the New Lender execute an otherwise duly completed Assignment Agreement.
- (b) On the Transfer Date:
 - (i) the Existing Lender will assign absolutely to the New Lender its rights under the Finance Documents and in respect of the Transaction Security expressed to be the subject of the assignment in the Assignment Agreement;
 - (ii) the Existing Lender will be released from the obligations (the "**Relevant Obligations**") expressed to be the subject of the release in the Assignment Agreement (and any corresponding obligations by which it is bound in respect of the Transaction Security); and
 - (iii) the New Lender shall become a Party as a "Lender" and will be bound by obligations equivalent to the Relevant Obligations.
- (c) The Lender may utilise procedures other than those set out in this Clause 28.5 to assign their rights under the Finance Documents **provided that** they comply with the conditions set out in Clause 28.2 (*Conditions of assignment or transfer*).

28.6 Copy of Transfer Certificate or Assignment Agreement to Borrower

The Existing Lender shall, as soon as reasonably practicable after it has executed a Transfer Certificate or an Assignment Agreement send to the Borrower a copy of that Transfer Certificate or Assignment Agreement.

28.7 Disclosure of information

- (a) The Lender may disclose to any of its Affiliates and any other person:
 - (i) to (or through) whom the Lender assigns or transfers (or may potentially assign or transfer) all or any of its rights and obligations under the Finance Documents;
 - (ii) to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation; or
 - (iii) for whose benefit the Lender creates Security (or may do so) pursuant to Clause 28.8 (*Security Interests over Lenders' rights*); and

any information about any Obligor, the Group and the Finance Documents as the Lender shall consider appropriate.

28.8 Security over Lenders' rights

In addition to the other rights provided to the Lender under this Clause 28, the Lender may without consulting with or obtaining consent from any Obligor, at any time create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of the Lender except that no such Security shall:

- (a) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant Security for the Lender as a party to any of the Finance Documents; or
- (b) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the Lender under the Finance Documents.

29. CHANGES TO THE OBLIGORS

29.1 Assignment and transfers by Obligors

No Obligor or any other member of the Group may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

29.2 Additional Guarantors

- (a) Subject to compliance with the provisions of paragraphs (b) and (c) of Clause 21.3 ("*Know your customer*" checks), the Borrower may request that any of its wholly owned Subsidiaries become an Additional Guarantor.
- (b) At any time after Completion (as defined in the Call Option Agreement), the Borrower shall procure that any other member of the Group which is incorporated in any part of the United Kingdom (other than a Dormant Subsidiary) or is a Material Company shall, as soon as possible after becoming a member of the Group (or ceasing to be a Dormant Subsidiary) incorporated in any part of the United Kingdom or becoming a Material Company, shall become an Additional Guarantor and, subject to the Agreed Security Principles, grant Security as the Lender may require.
- (c) A member of the Group shall become an Additional Guarantor if:
 - (i) the Borrower and the proposed Additional Guarantor deliver to the Lender a duly completed and executed Accession Letter; and
 - (ii) the Lender has received all of the documents and other evidence listed in Part II (*Conditions precedent*) in relation to that Additional Guarantor, each in form and substance satisfactory to the Lender.

29.3 Resignation of a Guarantor

- (a) The Borrower may request that a Guarantor ceases to be a Guarantor by delivering to the Lender a Resignation Letter if:

- (i) that Guarantor is being disposed of by way of a disposal of such Guarantor to a person which is not a member of the Group where that disposal is permitted under Clause 23.7 (*Disposals*) and the Borrower has confirmed this is the case; or
 - (ii) the Lender has consented to the resignation of that Guarantor.
- (b) The Lender shall accept a Resignation Letter and notify the Parent of its acceptance if:
 - (i) the Borrower has confirmed that no Default is continuing or would result from the acceptance of the Resignation Letter;
 - (ii) no payment is due from the Guarantor under Clause 18.1 (*Guarantee and indemnity*);
 - (iii) the Borrower confirmed that it shall ensure that the Disposal Proceeds will be applied, in accordance with Clause 9.4 (*Application of mandatory prepayments*).
- (c) The resignation of that Guarantor shall not be effective until the date of the relevant Third Party Disposal at which time that company shall cease to be a Guarantor and shall have no further rights or obligations under the Finance Documents as a Guarantor.

29.4 Repetition of Representations

Delivery of an Accession Letter constitutes confirmation by the relevant Subsidiary that the representation and warranty referred to in Clause 19.7 (*Holding Companies*) are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

29.5 Resignation and release of Security on disposal

If a Guarantor is or is proposed to be the subject of a Third Party Disposal then:

- (a) where that Guarantor created Transaction Security over any of its assets or business in favour of the Lender, or Transaction Security in favour of the Lender was created over the shares (or equivalent) of that Guarantor, the Lender may, at the cost and request of the Borrower, release those assets, business or shares (or equivalent) and issue certificates of non-crystallisation;
- (b) the resignation of that Guarantor and related release of Transaction Security referred to in paragraph (a) above shall not become effective until the date of that disposal; and
- (c) if the disposal of that Guarantor is not made, the Resignation Letter of that Guarantor and the related release of Transaction Security referred to in paragraph (a) above shall have no effect and the obligations of the Guarantor and the Transaction Security created or intended to be created by or over that Guarantor shall continue in full force and effect.

SECTION 10
THE LENDERS

30. **CONDUCT OF BUSINESS BY THE LENDERS**

No provision of this Agreement will:

- (a) interfere with the right of the Lender to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige the Lender to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige the Lender to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

SECTION 11 ADMINISTRATION

31. PAYMENT MECHANICS

31.1 Payments

- (a) On each date on which an Obligor or the Lender is required to make a payment under a Finance Document, that Obligor or the Lender shall make the same available to the Lender or an Obligor, as the case may be, (unless a contrary indication appears in a Finance Document) for value on the due date at the time as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in a Participating Member State or London) with such bank as the Lender or an Obligor, as the case may be, specifies.

31.2 Distributions to an Obligor

The Lender may (with the consent of the Obligor or in accordance with Clause 32 (*Set-Off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

31.3 Partial payments

- (a) If the Lender receives a payment for application against amounts due in respect of any Finance Documents that is insufficient to discharge all the amounts then due and payable by an Obligor under those Finance Documents, the Lender shall apply that payment towards the obligations of that Obligor under those Finance Documents in the following order:
 - (i) **first**, in or towards payment pro rata of any unpaid fees, costs and expenses of the Lender under those Finance Documents;
 - (ii) **secondly**, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under those Finance Documents;
 - (iii) **thirdly**, in or towards payment pro rata of any principal due but unpaid under those Finance Documents; and
 - (iv) **fourthly**, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.
- (b) The Lender may vary the order set out in paragraphs (a)(ii) to (iv) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

31.4 No set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

31.5 Business Days

- (a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

31.6 Currency of account

- (a) Subject to paragraphs (b) to (e) below, US dollars are the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated on its due date.
- (c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.
- (d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

31.7 Change of currency

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Lender (after consultation with the Borrower); and
 - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Lender (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Lender (acting reasonably and after consultation with the Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

31.8 **Disruption to Payment Systems etc.**

If either the Lender determines (in its discretion) that a Disruption Event has occurred or the Lender is notified by the Borrower that a Disruption Event has occurred:

- (a) the Lender may, and shall if requested to do so by the Parent, consult with the Borrower with a view to agreeing with the Parent such changes to the operation or administration of the Facilities as the Lender may deem necessary in the circumstances;
- (b) the Lender shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) any such changes agreed upon by the Lender and the Borrower shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 37 (*Amendments and Waivers*); and
- (d) the Lender shall not be liable for any damages, costs or losses whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Lender) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 31.8.

32. **SET-OFF**

The Lender may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Lender) against any matured obligation owed by the Lender to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

33. **NOTICES**

33.1 **Communications in writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

33.2 **Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Borrower or the Guarantor, that identified with its name below;
- (b) in the case of the Lender, that identified with its name below,

or any substitute address, fax number or department or officer as the Party may notify to the Lender (or the Lender may notify to the other Parties, if a change is made by the Lender) by not less than five Business Days' notice.

33.3 **Delivery**

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

- (i) if by way of fax, when received in legible form; or
- (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 33.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer identified with the Lender's signature below (or any substitute department or officer as the Lender shall specify for this purpose).

(c) Any communication or document made or delivered to the Borrower in accordance with this Clause 33.3 will be deemed to have been made or delivered to each of the Obligors.

33.4 **Notification of address and fax number**

Promptly upon receipt of notification of an address or fax number or change of address or fax number pursuant to Clause 33.2 (*Addresses*) or changing its own address or fax number, the Lender shall notify the other Parties.

33.5 **Electronic communication**

(a) Any communication to be made between the Lender and any Obligor under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Lender and the Obligors:

- (i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
- (ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
- (iii) notify each other of any change to their address or any other such information supplied by them.

(b) Any electronic communication made between the Lender and any Obligor will be effective only when actually received in readable form and only if it is

addressed in such a manner as the Lender and any Obligor shall specify for this purpose.

33.6 English language

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Lender, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

34. CALCULATIONS AND CERTIFICATES

34.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by the Lender are *prima facie* evidence of the matters to which they relate.

34.2 Certificates and determinations

Any certification or determination by the Lender of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

34.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

35. PARTIAL INVALIDITY

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

36. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

37. **AMENDMENTS AND WAIVERS**

37.1 **Required consents**

- (a) Any term of the Finance Documents may be amended or waived only with the consent of the Lender and the Borrower and any such amendment or waiver will be binding on all Parties.
- (b) Each Obligor agrees to any such amendment or waiver permitted by this Clause 37 which is agreed to by the Borrower; this includes any amendment or waiver which would, but for this paragraph (b), require the consent of the Guarantor.

38. **COUNTERPARTS**

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

SECTION 12
GOVERNING LAW AND ENFORCEMENT

39. **GOVERNING LAW**

This Agreement is governed by English law.

40. **ENFORCEMENT**

40.1 **Jurisdiction of English courts**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) (a "**Dispute**").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 40.1 is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

40.2 **Service of process**

- (a) Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England and Wales):
 - (i) irrevocably appoints the Borrower as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and
 - (ii) agrees that failure by an agent for service of process to notify the relevant Obligor of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Borrower (on behalf of all the Obligors) must immediately (and in any event within five days of such event taking place) appoint another agent on terms acceptable to the Lender. Failing this, the Lender may appoint another agent for this purpose.

The Borrower expressly agrees and consents to the provisions of this Clause 40 and Clause 39 (*Governing law*).

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1
THE ORIGINAL PARTIES

Part I
The Original Obligors

Name of Original Borrower	Registration number (or equivalent, if any) Jurisdiction of Incorporation
CIP Holdings UK Limited	6135635

Name of Original Guarantor	Jurisdiction of Incorporation
CIP Canada Investment Inc.	Canada

Part II
The Original Lender

Name of Original Lender	Facility A Commitment	Facility B Commitment
Inmarsat Finance III Limited	US\$275,000,000	up to a maximum of US\$151,500,000

SCHEDULE 2
CONDITIONS PRECEDENT

Part I
Conditions Precedent

1. Obligors

- (a) A copy of the Constitutional Documents of each Obligor.
- (b) A copy of a resolution of the board (or, if applicable, a committee of the board) of directors of each Obligor:
 - (i) approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party and resolving that it execute, deliver and perform the Transaction Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf;
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and
 - (iv) in the case of an Guarantor, authorising the Borrower to act as its agent in connection with the Finance Documents.
- (c) If applicable, a copy of a resolution of the board of directors of the relevant company, establishing the committee referred to in sub-paragraph (b) above.
- (d) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above in relation to the Finance Documents and related documents.
- (e) If required by its Constitutional Documents, a copy of a resolution signed by all the holders of the issued shares in the Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Guarantor is a party.
- (f) A certificate of the Borrower (signed by a director) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit, binding on any Obligor, to be exceeded.
- (g) A certificate of an authorised signatory of the Obligor certifying that each copy document relating to it specified in this Schedule 2 is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement.

2. **Transaction Documents**

- (a) A copy of each of the Call Option Agreement and the Trust Agreement executed by the parties to those documents in the form approved by the Lender on 19 March 2007.
- (b) This Agreement executed by the Borrower, the Guarantor and the Lender.
- (c) At least two originals of the following Transaction Security Documents executed by the parties specified below opposite the relevant Transaction Security Document:

Name of Obligor	Transaction Security Document
[intentionally left blank]	[intentionally left blank]
[intentionally left blank]	[intentionally left blank]
[intentionally left blank]	[intentionally left blank]

- (d) A copy of all notices required to be sent under the Transaction Security Documents duly acknowledged by the addressee.
- (e) Receipt of, or arrangements satisfactory to the Lender (acting reasonably) of all registrations required to perfect the security interests created by the Transaction Security Documents and of all share certificates, transfers and stock transfer forms or equivalent duly executed by the relevant Obligor in blank in relation to the assets subject to or expressed to be subject to the Transaction Security.

3. **Other documents and evidence**

- (a) Evidence that any agent for service of process referred to in Clause 40.2 (*Service of process*), if not an Original Obligor, has accepted its appointment.
- (b) A letter from the Borrower to the Lender specifying the Mandatory Prepayment Account and the Dissenting Shareholders Account including details of each account name, account number and the name and address of the bank where each account is held.
- (c) The Funds Flow Statement in a form agreed by the Borrower and the Lender detailing the proposed movement of funds on or before the Closing Date.
- (d) Lender satisfaction (acting reasonably) with the final forms of [intentionally left blank].
- (e) Lender satisfaction (acting reasonably and such satisfaction not being unreasonably withheld or delayed) with the form of consent provided by the lenders under the Senior Loan Facility in connection with a successful Consent

Solicitation (if such consent contains any changes to the terms of the Senior Loan Facility in effect on 19 March 2007).

- (f) All conditions precedent to (i) the completion of the transactions contemplated by the Arrangement Agreement in accordance with its terms and (ii) the effectiveness of the Plan of Arrangement (in the Plan Documents, Plan Orders or otherwise), the Trust Agreement and the Call Option (other than payment of the consideration payable thereunder) must have been satisfied to the Lender's satisfaction or waived with the consent of the Lender (acting reasonably).
- (g) A certificate of the Borrower in the agreed form (signed by a director) certifying that no terms and conditions of the Plan Documents, the Plan Orders or the Trust Agreement have been amended, waived or terminated without the consent of the Lender and all conditions and covenants to be complied with by (i) the Guarantor and the Target under the Plan Documents and Plan Orders, and (ii) the Borrower and the Guarantor under the Trust Agreement, have been complied with or waived with the consent of the Lender.

Conditions Precedent Required to be
Delivered by an Additional Guarantor

4. An Accession Letter executed by the Additional Guarantor and the Borrower.
5. A copy of the constitutional documents of the Additional Guarantor.
6. A copy of a resolution of the board or, if applicable, a committee of the board of directors of the Additional Guarantor:
 - (a) approving the terms of, and the transactions contemplated by, the Accession Letter and the Finance Documents and resolving that it execute, deliver and perform the Accession Letter and any other Finance Document to which it is a party;
 - (b) authorising a specified person or persons to execute the Accession Letter and other Finance Documents on its behalf;
 - (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and
 - (d) authorising the Borrower to act as its agent in connection with the Finance Documents.
7. If applicable, a copy of a resolution of the board of directors of the Additional Obligor, establishing the committee referred to in paragraph 3 above.
8. A specimen of the signature of each person authorised by the resolution referred to in paragraph 3 above.
9. A copy of a resolution signed by all the holders of the issued shares of the Additional Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Guarantor is a party.
10. A copy of a resolution of the board of directors of each corporate shareholder of each Additional Guarantor approving the terms of the resolution referred to in paragraph 6 above.
11. A certificate of the Additional Guarantor (signed by a director) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on it to be exceeded.
12. A certificate of an authorised signatory of the Additional Guarantor certifying that each copy document listed in this Part II of Schedule 2 is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of the Accession Letter.
13. If available, the latest audited financial statements of the Additional Guarantor.

14. The following legal opinions, each addressed to the Lender:
 - (e) A legal opinion of the legal advisers to the Lender in England, as to English law in the form distributed to the Lender prior to signing the Accession Letter.
 - (f) If the Additional Obligor is incorporated in a jurisdiction other than England and Wales or is executing a Finance Document which is governed by a law other than English law, a legal opinion of the legal advisers to the Lender in the jurisdiction of its incorporation or, as the case may be, the jurisdiction of the governing law of that Finance Document (the "**Applicable Jurisdiction**") as to the law of the Applicable Jurisdiction and in the form distributed to the Lender prior to signing the Accession Letter.
15. If the proposed Additional Guarantor is incorporated in a jurisdiction other than England and Wales, evidence that the agent for service of process specified in Clause 40.2 (*Service of process*), if not an Obligor, has accepted its appointment in relation to the proposed Additional Guarantor.
16. Any security documents which, subject to the Agreed Security Principles, are required by the Lender to be executed by the proposed Additional Guarantor.
17. Any notices or documents required to be given or executed under the terms of those security documents.
18.
 - (a) If the Additional Guarantor is incorporated in England and Wales or Scotland evidence that the Additional Guarantor has done all that is necessary (including, without limitation, by re-registering as a private company) to follow the procedures set out in Sections 151 to 158 of the Companies Act 1985 in order to enable that Additional Guarantor to enter into the Finance Documents and perform its obligations under the Finance Documents. Such evidence shall include copies of the resolutions, statutory declarations, auditor's report and net assets letter (addressed to the Lender) for the Additional Guarantor and copies of the register of directors and shareholders of the Additional Guarantor.
 - (b) If the Additional Guarantor is not incorporated in England and Wales or Scotland, such documentary evidence as legal counsel to the Lender may require, that such Additional Guarantor has complied with any law in its jurisdiction relating to financial assistance or analogous process.

SCHEDULE 3
REQUESTS

From: [Borrower]

To: [Lender]

Dated:

Dear Sirs

CIP UK Holdings Limited –Facilities Agreement
dated 11 June 2007 (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is a Utilisation Request. Terms defined in the Facilities Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
2. [We wish to borrow a Loan on the following terms:
 - (a) Borrower: CIP UK Holdings Limited
 - (b) Proposed Utilisation Date: [● (or, if that is not a Business Day, the next Business Day)
 - (c) Facility to be utilised: [Facility A]/[Facility B]**
 - (d) Currency of Loan: [●]
 - (e) Amount: [●] or, if less, the Available Facility
 - (f) Interest Period: [●]
3. [The proceeds of this Loan should be credited to [account]].
4. This Utilisation Request is irrevocable.

Yours faithfully

.....
authorised signatory for
[insert name of Borrower]

NOTES:

** Select the Facility to be utilised and delete references to the other Facilities.

SCHEDULE 4
FORM OF TRANSFER CERTIFICATE

To: The Borrower for and on behalf of each Obligor

From: [*The Existing Lender*] (the "**Existing Lender**") and [*The New Lender*] (the "**New Lender**")

Dated:

CIP UK Holdings Limited –Facilities Agreement
dated 11 June 2007 (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This agreement (the "**Agreement**") shall take effect as a Transfer Certificate for the purpose of the Facilities Agreement (and as defined therein). Terms defined in the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
2. We refer to Clause 28.4 (*Procedure for transfer*) of the Facilities Agreement:
 - (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all or part of the Existing Lender's Commitment, rights and obligations referred to in the Schedule in accordance with Clause 28.4 (*Procedure for transfer*).
 - (b) The proposed Transfer Date is [●].
 - (c) The address, fax number and attention details for notices of the New Lender for the purposes of Clause 33.2 (*Addresses*) are set out in the Schedule.
3. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 28.3 (*Limitation of responsibility of Existing Lenders*).
4. The New Lender confirms that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document is either:
 - (a) a company resident in the United Kingdom for United Kingdom tax purposes;
 - (b) a partnership each member of which is:
 - (i) a company so resident in the United Kingdom; or
 - (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and brings into account in computing its chargeable profits (for the purposes of section 11(2) of the Taxes Act) the whole of any share of interest payable in respect of that advance that falls to it by reason of sections 114 and 115 of the Taxes Act; or

- (c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (for the purposes of section 11(2) of the Taxes Act) of that company;
- 5. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
- 6. This Agreement is governed by and construed in accordance with English law.

THE SCHEDULE

Commitment/rights and obligations to be transferred

[insert relevant details]

[address, fax number and attention details for notices and account details for payments]

[Existing Lender]

[New Lender]

By:

By:

This Agreement is accepted as a Transfer Certificate for the purposes of the Facilities Agreement by the Borrower, and the Transfer Date is confirmed as [●].

[Borrower]

By:

SCHEDULE 5
FORM OF ASSIGNMENT AGREEMENT

To: The Borrower for and on behalf of each Obligor

From: [*the Existing Lender*] (the "**Existing Lender**") and [*the New Lender*] (the "**New Lender**")

Dated:

CIP UK Holdings Limited - Facilities Agreement
dated 11 June 2007 (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is an Assignment Agreement. This agreement (the "**Agreement**") shall take effect as an Assignment Agreement for the purpose of the Facilities Agreement (and as defined therein). Terms defined in the Facilities Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
2.
 - (a) We refer to Clause 28.5 (*Procedure for assignment*) of the Facilities Agreement.
 - (b) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Facilities Agreement, the other Finance Documents and in respect of the Transaction Security which correspond to the Existing Lender's Commitments and participations in Utilisations under the Facilities Agreement as specified in the Schedule.
 - (c) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitments and participations in Utilisations under the Facilities Agreement specified in the Schedule.
 - (d) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (c) above.
3. The proposed Transfer Date is [].
4. On the Transfer Date the New Lender becomes Party to the Finance Documents as a Lender.
5. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 28.3 (*Limitation of responsibility of Existing Lenders*).
6. The address, fax number and attention details for notices of the New Lender for the purposes of Clause 33.2 (*Addresses*) are set out in the Schedule.

7. The New Lender confirms that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document is either:
 - (a) a company resident in the United Kingdom for United Kingdom tax purposes;
or
 - (b) a partnership each member of which is:
 - (i) a company so resident in the United Kingdom; or
 - (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and brings into account in computing its chargeable profits (for the purposes of section 11(2) of the Taxes Act) the whole of any share of interest payable in respect of that advance that falls to it by reason of sections 114 and 115 of the Taxes Act; or
 - (c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (for the purposes of section 11(2) of the Taxes Act) of that company.
8. This Agreement acts as notice to the Borrower (on behalf of each Obligor) of the assignment referred to herein.
9. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
10. This Agreement is governed by and construed in accordance with English law.
11. This Agreement has been [executed and delivered as a deed] [entered into] on the date stated at the beginning of this Agreement.

THE SCHEDULE

**Commitment/rights and obligations to be transferred by assignment,
release and accession**

[insert relevant details]

*[address, fax number and attention details for notices
and account details for payments]*

[Existing Lender]

[New Lender]

By:

By:

This Agreement is accepted as an Assignment Agreement for the purposes of the Facilities Agreement by the Borrower and the Transfer Date is confirmed as [●].

Signature of this Agreement by the Borrower constitutes confirmation by the Borrower of receipt of notice of the assignment referred to herein.

[Parent]

By:

SCHEDULE 6
FORM OF ACCESSION LETTER

To: [●] as Lender

From: [*Subsidiary*] and the Borrower

Dated:

Dear Sirs

CIP UK Holding Limited –Facilities Agreement
dated 11 June 2007 (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is an Accession Letter. Terms defined in the Facilities Agreement have the same meaning in this Accession Letter unless given a different meaning in this Accession Letter.
2. [*Subsidiary*] agrees to become an Additional Guarantor and to be bound by the terms of the Facilities Agreement and the other Finance Documents as an Additional Guarantor pursuant to Clause 29.2 (*Additional Guarantors*) of the Facility Agreement. [*Subsidiary*] is a company duly incorporated under the laws of [*name of relevant jurisdiction*] and is a limited liability company and registered number [●].
3. [*Subsidiary's*] administrative details are as follows:

Address:

Fax No.:

Attention:
4. This Accession Letter is governed by English law.

[This Guarantor Accession Letter is entered into by deed.]**

[Borrower]

[Subsidiary]

NOTES:

- ** If the Facilities are fully drawn there may be an issue in relation to past consideration for a proposed Additional Guarantor. This can be overcome by acceding by way of deed.

SCHEDULE 7
FORM OF RESIGNATION LETTER

To: [] as Lender

From: [*resigning Obligor*] and the Borrower

Dated:

Dear Sirs

CIP UK Holdings Limited - Facilities Agreement
dated 11 June 2007 (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is a Resignation Letter. Terms defined in the Facilities Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.
2. Pursuant to Clause 29.3 (*Resignation of a Guarantor*), we request that [*resigning Guarantor*] be released from its obligations as a Guarantor under the Facilities Agreement and the Finance Documents.
3. We confirm that:
 - (a) no Default is continuing or would result from the acceptance of this request; and
 - (b) * [this request is given in relation to a Third Party Disposal of [*resigning Guarantor*];]
 - (c) [the Disposal Proceeds have been or will be applied in accordance with Clause 9.3 (*Disposal and Insurance Proceeds and Excess Cashflow*);]* *
 - (d) [●]**
4. This letter is governed by English law.
5. The Borrower agrees to indemnify the Lender for any costs, expenses, or liabilities which would have been payable by [*resigning Guarantor*] in connection with the Finance Documents but for the release set out in paragraph 1 above.

The Borrower

[*resigning Guarantor*]

By:

By:

NOTES:

* Insert where resignation only permitted in case of a Third Party Disposal.

** Amend as appropriate, e.g. to reflect agreed procedure for payment of proceeds into a specified account.

*** Insert any other conditions required by the Facilities Agreement.

SCHEDULE 8

AGREED SECURITY PRINCIPLES

The Principles:

The guarantees and security to be provided in support of this Agreement will be given in accordance with the agreed security principles set out in this Schedule 8 (the "**Agreed Security Principles**").

Considerations

The Agreed Security Principles recognise there may be legal and practical difficulties in obtaining security from all Material Subsidiaries in every jurisdiction in which such Material Subsidiaries are incorporated or operate. In particular:

- (a) general statutory limitations, financial assistance, corporate benefit, fraudulent preference, thin capitalisation rules, retention of title claims and similar principles may limit the ability of a Material Subsidiary to provide a guarantee or grant security or may require that its guarantee be limited in amount or scope. The Borrower shall assist in demonstrating that adequate corporate benefit accrues to the Group;
- (b) the security and extent of its perfection will take into account the cost of providing security which must be proportionate (in the opinion of the Lender, to the benefit accruing to the Lender;
- (c) any assets subject to pre-existing third party arrangements which are permitted by this Agreement and which prevent those assets from being charged will be excluded from any relevant security document but the Obligors must use reasonable endeavours to obtain consent to charging any such assets if the relevant asset is material unless it would have a material adverse effect on the Obligor's commercial relationships; and
- (d) Material Subsidiaries will not be required to give guarantees or enter into security documents if it would conflict with the fiduciary duties of their directors or contravene any legal prohibition or result in a material risk of personal or criminal liability on the part of any officer provided that the relevant Material Subsidiary must use reasonable endeavours to overcome any such obstacle.

Guarantees:

To the extent legally permitted and subject to paragraphs (a) and (d) above each guarantee and security will be an upstream, cross-stream and downstream guarantee and each guarantee and security will be for all liabilities of the Obligors under the Finance

Documents.

- Security perfection:** Perfection of security and other legal formalities will be completed as soon as practicable and, in any event, within the time periods specified by applicable law in order to ensure due perfection. Perfection of security will not be required if it would have a material adverse effect on the ability of the relevant Obligor to conduct its operations and business in the ordinary course as permitted by the Finance Documents.
- Security Enforcement:** The Finance Documents will allow the Lender to enforce its security without any restriction from (i) the constitutional documents of the relevant Obligor or (ii) any company which is or whose assets are the subject of such security document (but subject to any inalienable statutory rights which the company may have to challenge such enforcement) or (iii) any shareholders of the foregoing not party to the relevant security document.
- Law of share security:** Where shares are pledged, the security document will be governed by the laws of the company whose shares are being pledged and not by the law of the country of the pledgor, unless otherwise advised by legal counsel to the Lender.
- After acquired assets:** Where an Obligor acquires assets of material value or significance (in the opinion of the Lender) after the date on which it initially grants security, such Obligor shall enter into security in accordance with the principles in this Schedule 8 in respect of such assets to the extent that such assets are not subject to the existing security created by such Obligor.
- Terms of Transaction Security Documents:** The following principles will be reflected in the terms of any security taken as part of this transaction:
- (a) the security will be first ranking, to the extent possible ;
 - (b) security will not be enforceable until an Event of Default has occurred which is continuing;
 - (c) in respect of the share pledges, customary limitations on the exercise of voting rights by the pledgor to protect the validity and enforceability of the security over shares shall apply;
 - (d) until an Event of Default occurs (and for so long as it continues), the pledgor may retain and exercise voting rights to any shares pledged in a manner which does not adversely affect the validity or enforceability of the security or cause an Event of Default to occur;

- (e) notification of pledges over bank accounts will be given (subject to local law advice) to the bank(s) with whom the accounts are maintained provided, in the case of the Group's operating accounts, the Group retaining control over the balance of the account;
- (f) notification of any security over insurance policies will be given (subject to local law advice) to the relevant insurer(s); and
- (g) the security documents shall operate to create security rather than to impose new commercial obligations.

Accordingly they shall not contain additional representations or undertakings (such as in respect of insurance, maintenance of assets, information or the payment of costs) unless the same or consistent with those contained in the Finance Documents, or are required for the creation, perfection or preservation of the security or the assets subject to the security or are required by local law.

SCHEDULE 9
REPRESENTATIONS AND WARRANTIES

1. **Definitions**

In Schedule 9 and Schedule 10, unless a contrary indication appears:

"**Annual Business Plan**" means detailed forecasted balance sheets, income statements and statements of operations and cash flow, prepared in accordance with GAAP (to the extent applicable) in respect of the next following Financial Year and each Financial Quarter therein for Borrower's consolidated operations and supported by appropriate explanations, notes and information.

"**Assets**" means, with respect to the Borrower and each of its Subsidiaries, all property, assets and undertakings of the Borrower and each of its Subsidiaries of every kind and wheresoever situate, whether now owned or hereafter acquired.

"**Authorization**" means, with respect to any Person, any authorization, order, permit, approval, grant, licence, consent, right, notification, condition, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decree, by-law, rule or regulation of any Governmental Entity having jurisdiction over such Person, whether or not having the force of Law.

"**Borrower**" shall have the meaning given to it in this Agreement.

"**Buildings and Fixtures**" means all plant, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment).

"**Business**" means the business of (i) providing satellite communication services; (ii) reselling satellite communication services; (iii) providing offshore radio services; and (iv) with respect to each of the preceding clauses (i), (ii) and (iii), related activities.

"**Capital Expenditures**" means expenditures made for the purchase, lease or acquisition of assets (other than Current Assets) required to be capitalized in accordance with GAAP.

"**Capitalized Lease Obligation**" of any Person means any obligation of such Person to pay rent or other amounts under a lease of property, real or personal, that is required to be capitalized for financial reporting purposes in accordance with GAAP, and the amount of such obligation shall be the capitalized amount thereof determined in accordance with GAAP.

"**Collateral**" means any and all Assets of the Borrower or any of its Subsidiaries in respect of which the Lender has or will have a Lien securing any amount owing under this Agreement.

"**Compliance Certificate**" means a certificate of the Borrower, substantially in the form of Schedule 13 (*Compliance Certificate*), signed on its behalf by its chief financial officer or any other officer acceptable to the Lender.

"**Consolidated Current Assets**" means, at any time, the sum of all Current Assets of the Borrower and its Subsidiaries determined on a consolidated basis in accordance with GAAP.

"**Consolidated Current Liabilities**" means, at any time, the sum of all Current Liabilities of the Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP.

"**Consolidated Depreciation and Amortization Expense**" means, for any period, depreciation and amortization of the Borrower and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"**Consolidated Debt**" means, at any time, the aggregate of all Debt of SGC and its Subsidiaries, determined on a consolidated basis in accordance with GAAP.

"**Consolidated EBITDA**" means, for any period and without duplication, Consolidated Net Earnings (A) increased, to the extent deducted in calculating Consolidated Net Earnings, by the sum of (i) Consolidated Interest Expense; (ii) all income taxes of the Borrower and its Subsidiaries in accordance with GAAP for such period; (iii) Consolidated Depreciation and Amortization Expense; (iv) severance costs, restructuring costs, asset impairment charges and acquisition transition services costs; and (v) losses of the Borrower and its Subsidiaries not incurred in the ordinary course of business, all as determined at such time in accordance with GAAP; and (B) decreased, to the extent added in calculating Consolidated Net Earnings, by gains of the Borrower and its Subsidiaries not incurred in the ordinary course of business, all as determined on a consolidated basis in accordance with GAAP.

"**Consolidated Interest Expense**" means, for any period for the Borrower and its Subsidiaries, all items properly classified as interest expense determined on a consolidated basis in accordance with GAAP.

"**Consolidated Net Earnings**" means, for any period, the net income (loss) of the Borrower and its Subsidiaries determined on a consolidated basis in accordance with GAAP determined on a consolidated basis in accordance with GAAP.

"**Current Assets**" means, at any time, with respect to a Person, any Assets of that Person that will be converted into cash in the normal operation of the business of that Person within one year of that time as disclosed in the financial statements of that Person prepared in accordance with GAAP.

"**Debt**" of any Person means, at any time, (without duplication) (i) all indebtedness for borrowed money including borrowings of commodities, bankers' acceptances, letters of credit or letters of guarantee; (ii) all indebtedness for the deferred purchase price of property or services represented by a note or together evidence of indebtedness; (iii) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by the Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property); (iv) all indebtedness of another Person secured by a Lien on any properties or assets of the Person; (v) all obligations under leases which have been or should be, in accordance with GAAP, recorded as capital leases in respect of which the Person is liable as lessee; (vi) the aggregate amount at which any shares in the capital of the Person which are redeemable or retractable at the option of the holder may be retracted or redeemed for cash or Debt provided all conditions precedent for such retraction or redemption have been satisfied; (vii) all Debt Guaranteed by the Person; and (viii) all current liabilities of such Person represented by a note, bond, debenture or other evidence of debt.

"Debt Guaranteed" by any Person means the maximum amount which may be outstanding at any time of all Debt of the kinds referred to in (i) through (vi) and (viii) of the definition of Debt which is directly or indirectly guaranteed by the Person or which the Person has agreed (contingently or otherwise) to purchase or otherwise acquire, or in respect of which the Person has otherwise assured a creditor or other Person against loss, provided that in circumstances in which less than such amount has been guaranteed by the Person, only the guaranteed amount shall be taken into account in determining such Person's Debt Guaranteed.

"Designated International Subsidiaries" means, collectively, Stratos Australia, Stratos Mexico, Stratos Japan and any other Subsidiary of the Borrower agreed to by the Lender.

"Disposition" means, with respect to any property of any Person, any direct or indirect sale, lease (where such Person is the lessor of such property), voluntary disposition (including by way of a Sale-Leaseback Transaction, reorganization, consolidation, amalgamation or merger), transfer (including any transfer of title or possession), exchange, conveyance, release, abandonment or seizure and also includes any expropriation, condemnation, forfeiture, actual or constructive total loss or other involuntary disposition and **"Dispose"** and **"Disposed"** have meanings correlative thereto.

"Environmental Laws" means all applicable Laws relating to the environment, health and safety matters or conditions, Hazardous Substances, pollution or the protection of the environment, including Laws relating to (i) on-site or off-site contaminations; (ii) occupational health and safety relating to Hazardous Substances; (iii) chemical substances or products; (iv) release of pollutants, contaminants, chemicals or other industrial, toxic or radioactive substances or Hazardous Substances into the environment; and (v) manufacture, processing, distribution, use, treatment, storage, transport or handling of Hazardous Substances.

"Environmental Permits" includes all permits, certificates, approvals, registrations and licenses issued by any Governmental Entity to the Borrower or any of its Subsidiaries or to the Business pursuant to Environmental Laws and required for the operation of the Business or use of the Owned Properties, Leased Properties or other Assets.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Excess Cash Flow" means, in respect of the Borrower, for any period, and without in any case any duplication, Consolidated Net Earnings for such period (A) increased to the extent deducted in calculating Consolidated Net Earnings for such period, by (i) future income taxes of the Borrower and its Subsidiaries for such period; (ii) Consolidated Depreciation and Amortization Expense for such period; (iii) the amount, if any, by which Working Capital (excluding cash and cash equivalents) has decreased during such period; and (iv) the amount of any reduction to Consolidated Net Earnings not involving any outlay of cash; and (B) decreased by the aggregate of (i) the amount, if any, by which Working Capital (excluding cash and cash equivalents) has increased during such period; (ii) all mandatory prepayments, scheduled payments and voluntary prepayments of Borrower's and its Subsidiaries' Debt; (iii) the actual cash Capital Expenditures made by the SGC and its Subsidiaries in such period; (iv) to the extent not financed with Debt, the actual cash spent on Permitted Investments; (v) any amount included in Consolidated Net Earnings not involving the receipt of any cash; (vi) any amounts that are applied during such period to repay the Utilisations (as defined in this Agreement) outstanding

which were included in the calculation of Consolidated Net Earnings for such period; (vii) all payments of interest and taxes made by the Borrower and its Subsidiaries during such period not previously deducted in the calculation of Consolidated Net Earnings.

"Excluded Subsidiaries" means collectively (i) the Restricted Subsidiaries and (ii) any other Material Subsidiary of the Borrower agreed to by the Lender (acting reasonably), in each case, until the relevant Material Subsidiary has provided the guarantee and the security interests required pursuant to paragraph 14 of Schedule 11 in respect of such Material Subsidiary.

"GAAP" means, at any time, accounting principles generally accepted in Canada as recommended in the Handbook of the Canadian Institute of Chartered Accountants at the relevant time.

"Governmental Entity" means any (i) multinational, federal, provincial, state, municipal, local or other government, governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) any subdivision or authority of any of the foregoing; or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

"Hostile Take-Over" means a takeover bid (as defined under applicable securities Laws but excluding any takeover bids which are exempt from the formal takeover bid rules under such Laws) which is unsolicited or the approval of which has not been publicly announced by the board of directors (or its equivalent) of the Person that is the target of the takeover offer.

"Investments" means any advances, loans, guarantees or other extensions of credit or capital contributions (other than prepaid expenses in the ordinary course of business) to (by means of transfers of property, money or assets), or any purchase of any shares, stocks, bonds, notes, debentures or other securities of, any Person or the acquisition of all or substantially all the assets of, any Person or of a business carried on by, or a division of, any Person.

"ITA" means the Income Tax Act (Canada).

"Laws" means all legally enforceable statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, notifications, conditions, orders, decisions, rulings or awards, policies, voluntary restraints, guidelines, or any provisions of the foregoing, including general principles of common and civil law and equity, binding on or affecting the Person referred to in the context in which such word is used; and **"Law"** means any one of the foregoing.

"Leased Properties" means, collectively, the real properties forming the subject matter of the Leases.

"Leases" means the leases, subleases, rights to occupy, and licences of real property or buildings and fixtures, to which the Borrower or any of its Subsidiaries is a party (i) at the Call Option Exercise Date, as listed and described in the Side Letter, or (ii) after the Call Option Exercise Date, as notified to the Lender, but shall exclude leases, rights and licences terminated in accordance with their terms (and not as the result of a default) after the Call Option Exercise Date and as and from such termination.

"**Lien**" means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition that in substance secures payment or performance of an obligation.

"**Limited Partnership Agreement**" means the limited partnership agreement made as of November 17, 2004 by and between the Target, as a general partner and SW1, as a limited partner, in accordance with the laws of Delaware, as the same may be amended, restated or replaced from time to time.

"**Margin Stock**" shall have the meaning provided in Regulation U.

"**Material Adverse Change**" means any change, condition or event which, when considered individually or together with other changes, conditions, events or occurrences could reasonably be expected to have a Material Adverse Effect.

"**Material Adverse Effect**" means a material adverse effect on the business, revenues, operations, prospects, liabilities (contingent or otherwise) or financial condition of the Borrower and its Subsidiaries taken as a whole.

"**Material Agreement**" means the Senior Loan Facility, the Target Notes and any other agreement, contract or similar instrument to which the Borrower or any of its Subsidiaries is a party or to which any of their property or assets may be subject for which breach, non-performance, cancellation, failure to renew, termination, revocation or lapse could reasonably be expected to have a Material Adverse Effect.

"**Material Permits**" means the Authorizations, the breach, non-performance, cancellation or non-availability of which or failure of which to renew or maintain would reasonably be expected to have a Material Adverse Effect.

"**Moody's**" means Moody's Investor Services, Inc., and any successor thereof.

"**New Subsidiary**" has the meaning specified in the definition of "**Permitted Investments**".

"**Owned Properties**" means, collectively, (i) the land and premises owned by the Borrower or any of its Subsidiaries on the Call Option Exercise Date which are listed in the Side Letter; and (ii) after the Call Option Exercise Date the lands and premises notified to the Lender but shall exclude lands and premises sold or otherwise Disposed of as permitted in this Agreement as and from the date of such sale or Disposition.

"**Permitted Debt**" means the Debt existing under (i) the Senior Loan Facility; (ii) the Target Notes and (iii):

Stratos Global Corporation	Permitted
Banking Syndicate - Operating Facility	\$25,000,000
Banking Syndicate - Term A Facility	£20,000,000
Banking Syndicate - Term B Facility	\$225,000,000
Senior Unsecured Notes	£150,000,000

Stratos Wireless Inc.	Permitted
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Royal Trust Company	\$662,292
Royal Bank of Canada Corporate Visa Credit Facility	\$200,000
Stratos Offshore Services Company	Permitted
GE Fleet Services	\$24,295
Moscowsky Teleport.	Permitted
KMB-Bank ZAO	\$12,764

Note: Disclosed amounts are principal amounts and do not include accrued and unpaid interest.

"Permitted Investments" means:

- (a) Investments by the Borrower or any Subsidiary of the Borrower (other than Stratos B.V. and Stratos Cyprus) in short-term U.S. and Canadian government securities;
- (b) Investments by the Borrower or any Subsidiary of the Borrower (other than Stratos B.V. and Stratos Cyprus) in short-term instruments issued by banks rated A or better by Moody's;
- (c) Investments by the Borrower or any Subsidiary of the Borrower (other than Stratos B.V. and Stratos Cyprus) in commercial paper rated A-2 or better by S & P, P-2 or better by Moody's or the equivalent rating from any other appropriate rating agency that mature within 270 days;
- (d) Investments by the Borrower in any Guarantor or by any Guarantor in any other Guarantor or the Borrower;
- (e) Investments that constitute the purchase by the Borrower or any Guarantor (other than Stratos B.V. and Stratos Cyprus) of minority equity interests in other Persons up to a maximum aggregate amount of [intentionally left blank] (such maximum aggregate amount being hereinafter referred to as the "**Minority Investments Basket**"), provided that the Lender shall have been granted a first priority perfected security interest (whether by way of registrations or otherwise and subject only to Permitted Lien) over all such equity interests. For greater certainty, as of the Call Option Exercise Date, the amount of the Minority Investments Basket is nil;
- (f) Investments by the Borrower or any Guarantor (other than Stratos B.V. and Stratos Cyprus) in any New Subsidiary that is not a Guarantor, provided that such New Subsidiary has been designated as a Designated International Subsidiary by the Lenders;
- (g) Investments that constitute the purchase by the Borrower or any Guarantor (other than Stratos B.V. and Stratos Cyprus) of a majority of the shares or other securities of any Person carrying on substantially the same business as the Business (such Person being herein referred to as a "**New Subsidiary**"), or the assets of any person used or useful in substantially the same business as the Business ("**Purchased Assets**"), provided that in either case:
 - (i) in respect of any New Subsidiary, the provisions of paragraph 14 of Schedule 11 are complied with;

- (ii) in respect of any Purchased Assets, the Lender shall have been granted a first priority perfected security interest (whether by way of registration or otherwise and subject only to Permitted Liens) over all such Purchased Assets (subject only to exceptions agreed to by the Lender in writing, acting reasonably);
 - (iii) in the case of any New Subsidiary the Borrower shall have provided evidence satisfactory to the Lender, before such purchase, that such New Subsidiary is lawfully capable of granting such guarantee or security and that all requirements of law, if any, relating to the giving of financial assistance required to enable such New Subsidiary lawfully to provide such guarantee or security have been duly completed;
 - (iv) no Default or Event of Default has occurred and is continuing;
 - (v) such purchase does not constitute a Hostile Take-Over; and
 - (vi) after giving effect to such purchase, the Consolidated Debt to Consolidated EBITDA ratio, calculated on a *pro forma* basis (as if the purchase had been completed and any Debt in connection therewith had been incurred as at the first day of the immediately preceding four Financial Quarters and without regard to any synergies in respect thereto but including all EBITDA of the relevant New Subsidiary or the relevant Purchased Assets for such four Financial Quarters) is not more than [intentionally left blank].
- (h) Investments by any Borrower or any Guarantor (other than Stratos B.V. and Stratos Cyprus) that constitute either type of purchase described in clause (g) hereof in an aggregate amount of up to [intentionally left blank] (the "**Investment Basket**") at any time, after giving effect to any such purchase, that the Consolidated Debt to Consolidated EBITDA ratio calculated on a *pro forma* basis (as if the purchase had been completed and any Debt in connection therewith had been incurred as of the first day of the immediately preceding four Financial Quarters without regard to any synergies in respect thereto) is in excess of [intentionally left blank], in either case, provided that at such time:
- (i) in respect of any New Subsidiary, the provisions of paragraph 14 of Schedule 11 are complied with;
 - (ii) in respect of any Purchased Assets, the Lender shall have been granted a first priority perfected security interest (whether by way of registration or otherwise and subject only to Permitted Liens) over all such Purchased Assets, as applicable (subject only to exceptions agreed to by the Lenders in writing, acting reasonably);
 - (iii) in the case of any New Subsidiary the Borrower shall have provided evidence satisfactory to the Lender, before such purchase, that such New Subsidiary is lawfully capable of granting such guarantee or security and that all requirements of law, if any, relating to the giving of financial assistance required to enable such Person, lawfully to provide such guarantee or security have been duly completed;

- (iv) no Default of Event of Default has occurred and is continuing; and
- (v) such purchase does not constitute a Hostile Take-Over; and
- (i) the Acquisition (as defined in this Agreement);
- (j) Investments by the Borrower or any Guarantor (other than Stratos B.V. and Stratos Cyprus) in any Excluded Subsidiary that constitute Debt of such Excluded Subsidiary provided that the aggregate amount of such Investments does not cause the Excluded Subsidiary Permitted Debt Basket to be exceeded and such Debt is secured by a first priority perfected security interest in the Assets of such Excluded Subsidiary to and in favour of the Borrower or Guarantor, as applicable; and
- (k) Investments by the Borrower or any Guarantor in any Excluded Subsidiary that do not constitute Debt of such Excluded Subsidiary.

The Investment Basket shall be reset to zero once the Consolidated Debt to Consolidated EBITDA ratio as at any Financial Quarter end is not more than [intentionally left blank]. The parties hereto agree that, where in connection with any Investment, the Borrower or Guarantor fails to satisfy the conditions set forth in clause (e), subclauses (g)(i) and (g)(ii) or subclauses (h)(i) and (h)(ii) hereof (collectively, the "**Security Conditions**"), as applicable, and the Lender determines in its sole discretion (acting reasonably) that, notwithstanding the commercially reasonable efforts of the Borrower or Guarantor (satisfactory evidence of which shall have been provided to the Lender), satisfaction of the applicable Security Conditions is impossible or unduly burdensome because (x) the Laws applicable to any New Subsidiary, any shares or other securities of such New Subsidiary, any assets owned by such New Subsidiary, any minority equity interests purchased pursuant to clause (e) hereof or any Purchased Assets restrict or do not permit the granting of a guarantee by such New Subsidiary or a first priority perfected security interest (subject only to Permitted Liens) over such property to the Lender or (y) satisfaction of such Security Conditions in respect of such assets is not cost effective (such property being collectively referred to herein as the "**Restricted Assets**") as required hereunder, satisfaction of the applicable Security Conditions shall not be required, provided that the aggregate fair market value of the sum of (i) all Restricted Assets determined (provided that, for greater certainty, such determination will be made in such a manner so as to avoid duplication of the valuation of the securities of a New Subsidiary and its assets) as at the time of their acquisition, (ii) all Investments made pursuant to clause (f) hereof (net of any repayments made by the relevant New Subsidiary upon such Investments), and (iii) all Investments made pursuant to clauses (j) and (k) hereof shall not at any time exceed [intentionally left blank] in the aggregate (the "**Restricted Investment Basket**"). If at any time the Laws applicable to a New Subsidiary or to any Restricted Assets change such that satisfaction of the applicable Security Conditions is possible or not unduly burdensome (as determined by the Lender in its sole discretion, acting reasonably), SGC shall, or shall cause, such Security Conditions to be satisfied by the applicable Borrower or Guarantor.

"**Permitted Liens**" means, in respect of any Person, any one or more of the following:

- (a) Liens for taxes, assessments or governmental charges or levies which are not delinquent or the validity of which is being contested at the time by the Person in good faith by proper legal proceedings if, in the Lender's opinion, either (i) adequate provision has

been made for their payment; or (ii) the Liens are not in the aggregate materially prejudicial to the security constituted by the Transaction Security Documents (as defined in this Agreement);

- (b) inchoate or statutory Liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of construction, maintenance, repair or operation of assets of the Person, provided that such Liens are related to obligations not due or delinquent, are not registered against title to any assets of the Person and in respect of which adequate holdbacks are being maintained as required by applicable law or such Liens are being contested in good faith by appropriate proceedings and in respect of which there has been set aside a reserve (segregated to the extent required by GAAP) in an adequate amount and provided further that such Liens do not, in the Lender's opinion reduce the value of the assets of the Person or materially interfere with the use of such assets in the operation of the business of the Person;
- (c) easements, rights-of-way, servitudes, restrictions and similar rights in real property comprised in the assets of the Person or interests therein granted or reserved to other Persons, provided that such rights do not, in the Lender's opinion, reduce the value of the assets of the Person or materially interfere with the use of such assets in the operation of the business of the Person;
- (d) title defects or irregularities which are of a minor nature and which, in the Lender's opinion, do not reduce the value of the assets of the Person or materially interfere with their use in the operation of the business of the Person;
- (e) Liens securing appeal bonds and other similar Liens arising in connection with court proceedings (including, without limitation, surety bonds, security for costs of litigation where required by law and letters of credit) or any other instruments serving a similar purpose;
- (f) attachments, judgments and other similar Liens arising in connection with court proceedings; provided, however, that the Liens are in existence for less than 10 days after their creation or the execution of other enforcement of the Liens is effectively stayed or the claims so secured are being actively contested in good faith and by proper legal proceedings;
- (g) the reservations, limitation, provisos and conditions, if any, expressed in any original grant from the Crown of any real property or any interest therein or in any comparable grant in jurisdictions other than Canada, provided they do not, in the Lender's opinion, reduce the value of the assets of the Person or materially interfere with the use of such assets in the operation of the business of the Person;
- (h) Liens given to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the operation of the business of the ownership of the assets of the Person, provided that such Liens do not, in the Lender's opinion, reduce the value of the assets of the Person or materially interfere with their use in the operation of the business of the Person;

- (i) servicing agreements, development agreements, site plan agreements, and other agreements with Governmental Entities pertaining to the use or development of any of the assets of the Person, provided same are complied with and do not in the Lender's opinion reduce the value of the assets of the Person or materially interfere with their use in the operation of the business of the Person including, without limitation, any obligations to deliver letters of credit and other security as required;
- (j) applicable municipal and other governmental restrictions, including municipal by-laws and regulations, affecting the use of land or the nature of any structures which may be erected thereon, provided such restrictions have been complied with and do not in the Lender's opinion reduce the value of the assets of the Person or materially interfere with their use in the operation of the business of the Person;
- (k) the right reserved to or vested in any Governmental Entity by any statutory provision or by the terms of any lease, licence, franchise, grant or permit of the Person, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
- (l) Liens in favour of the Lender created by the Transaction Security Documents;
- (m) landlord distraint rights and similar rights arising under the leasehold interests of the Borrower and its Subsidiaries;
- (n) Liens granted by Excluded Subsidiaries to the Borrower or the Guarantor pursuant to clause (j) of the definition of "Permitted Investments";
- (o) Liens existing as of the date hereof and previously given to secure amounts owing under any Permitted Debt for and during such time as any of such Debt remains outstanding; and
- (p) Liens disclosed in Schedule 14 (*Permitted Liens*) but only to the extent that such Liens conform to their description in Schedule 14 (*Permitted Liens*), and includes any extension or renewal thereof provided the amount so secured does not exceed the original amount secured immediately prior to the extension, renewal or refinancing and the scope of the security creating the Lien is not extended.

"Person" means a natural person, partnership, limited partnership, corporation, joint stock company, trust, fund, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns have a similarly extended meaning.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"Restricted Subsidiaries" means collectively (A) the Subsidiaries listed on Schedule 15 (*Restricted Subsidiaries*) and (B) any New Subsidiary in respect of which (i) the applicable Security Conditions have not been satisfied; (ii) the Lender has determined in its sole discretion (acting reasonably) that, notwithstanding the commercially reasonable efforts of the applicable Borrower or Guarantor (satisfactory evidence of which shall have been provided to the Lender), satisfaction of the applicable Security Conditions is impossible or unduly burdensome because (x) the Laws applicable to such New Subsidiary restrict or do not permit the granting of a

guarantee by such New Subsidiary or (y) satisfaction of such Security Conditions by such New Subsidiary is not cost effective; and (iii) the aggregate fair market value of all Restricted Assets owned by such New Subsidiary determined at the time of acquisition of such New Subsidiary, does not cause the Restricted Investment Basket set forth in the definition of "**Permitted Investments**" to be exceeded.

"**S&P**" means Standard & Poor's Rating Service, and any successor thereof.

"**Sale-Leaseback Transaction**" means, with respect to any Person, any direct or indirect arrangement entered into from the date hereof pursuant to which such Person or subsidiary of such Person transfers or causes the transfer of property to another Person and leases it back from such Person as a Capitalised Lease Obligation.

"**Security Conditions**" has the meaning specified in the definition of "**Permitted Investments**".

"**SGC**" means Stratos Global Corporation, a corporation incorporated under the Laws of Canada, and its successors and permitted assigns.

"**Side Letter**" means a letter from the Borrower to the Lender to be provided on the later to occur of (i) the Call Option Exercise Date or (ii) the date on which the Grace Period expires.

"**Stratos Australia**" means Stratos Communications (Australia) Pty. Limited, a corporation incorporated under the Laws of Australia.

"**Stratos B.V.**" means Stratos Investments B.V., a corporation incorporated under the laws of the Netherlands, and its successors and permitted assigns.

"**Stratos Cyprus**" means Stratos Holdings (Cyprus) Limited, a corporation incorporated under the laws of Cyprus, and its successors and permitted assigns.

"**Stratos Ireland**" means Stratos Finance (Ireland) Limited, a corporation incorporated under the laws of Ireland, and its successors and permitted assigns.

"**Stratos Japan**" means Stratos Global (Japan) K.K., a corporation incorporated under the laws of Japan.

"**Stratos LP**" means Stratos Funding LP, a limited partnership organised under the Laws of Delaware, and its successors and permitted assigns.

"**Subject Properties**" means, collectively, the Owned Properties and the Leased Properties.

"**Subsidiary**" means, at any time, as to any Person, any corporation, limited partnership or other Person, if at such time the first mentioned Person owns, directly or indirectly, securities or other ownership interests in such corporation, limited partnership or other Person, having ordinary voting power to elect a majority of the board of directors or persons performing similar functions for such corporation, limited partnership or other Person.

"**SWI**" means Stratos Wireless Inc., a corporation organised under the Laws of Canada, and its successors and permitted assigns.

"**Working Capital**" means Consolidated Current Assets less Consolidated Current Liabilities.

"**Xantic**" means Xantic B.V., a private company with limited liability, incorporated and existing under the laws of Netherlands, and its successors and assigns.

Gender and Number

Any reference in Schedule 9 and 10 to gender includes all genders, and words importing the singular number only include the plural and vice versa.

Headings

The division of Schedule 9 and 10 into sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation of Schedule 9 and 10.

Currency

All references in the Schedule 9 and 10 to dollars, unless otherwise specifically indicated, are expressed in Canadian currency.

Certain Phrases, etc.

In Schedule 9 and 10, (i) (y) the words "including" and "includes" mean "including (or includes) without limitation" and (z) the phrase "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of"; and (ii) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Accounting Terms and Calculations

All accounting terms not specifically defined in Schedule 9 and 10 shall be interpreted in accordance with GAAP. The financial statements to be delivered to the Lender pursuant to Schedule 9 and 10 shall be prepared in accordance with GAAP in effect from time to time; provided that if GAAP changes after the date hereof or the application of GAAP in preparing such financial statement changes, then the Borrower or the Lender may, by giving written notice to the other parties hereto prior to (in the case of the Borrower) or promptly after (in the case of the Lender) the delivery of a Compliance Certificate demonstrating the Borrower's compliance (or non-compliance), elect not to give effect to such change for the purposes of preparing such financial statements unless and until this Schedule 9 and 10 are amended to give effect to such change. If at any time the calculations made to prepare the financial statements to be delivered to the Lender pursuant to Schedule 9 and 10 are made on the basis of accounting principles that are different from those used in preparing the financial statements previously delivered to the Lender pursuant to Schedule 9 and 10, then such financial statements shall be accompanied by a detailed reconciliation.

References to Credit Documents

In Schedule 9 or 10 (i) a reference to a specified agreement, instrument or other document shall be construed as a reference to such agreement, instrument or other document as it may be amended, varied, supplemented, restated or replaced from time to time; and (ii) a reference to a Person shall include its successors and permitted assigns.

1. From the Call Option Exercise Date, the Borrower and each of its Subsidiaries represents and warrants to the Lender as follows:
 - (a) **Incorporation and Qualification.** The Borrower is a corporation duly incorporated, organised and validly existing under the laws of England and Wales. Each of the Guarantors (as defined in this Agreement) and SGC is a corporation duly incorporated, organized and validly existing under the laws of Canada. Stratos LP is a limited partnership that has been formed, is duly organized and validly existing under the Laws of Delaware and is a wholly-owned Subsidiary of SGC. The Target and each of the Subsidiaries of SGC is a corporation, company or partnership, as the case may be, duly incorporated, continued, amalgamated, established or organized, as the case may be, and validly existing under the laws of its jurisdiction of incorporation, continuance, amalgamation, establishment or organization, as the case may be, as set forth in the Side Letter. It and each of its Subsidiaries is duly qualified, licensed or registered to carry on business under the Laws applicable to it in all jurisdictions in which such qualification, licensing or registration is necessary or where failure to be so qualified would have a Material Adverse Effect.
 - (b) **Corporate Power.** It and each of its Subsidiaries has all requisite power and authority to (i) own, lease and operate its properties and assets and to carry on its business as now being conducted by it; and (ii) enter into and perform its obligations under the Transaction Documents to which it is a party. SGC and SWI each have all requisite power and authority to enter into and perform its obligations under the Limited Partnership Agreement.
 - (c) **Conflict with Other Instruments.** The execution and delivery by it and each of its Subsidiaries of the Transaction Documents to which such Person is a party and the conditions and provisions thereof will not (i) conflict with or result in a breach of any of the terms, conditions or provisions of (t) its constating documents, articles or certificate of incorporation, by -laws, organizational documents, limited partnership agreement or partnership agreement, as the case may be, (u) any applicable Law, (v) any contractual restriction binding on or affecting it or its properties, or (w) any judgment, injunction, determination or award which is binding on it or (ii) result in, require or permit (x) the imposition of any Liens in, on or with respect to any of its Assets (including any Leased Properties or Owned Properties) (other than Liens in favour of the Lender), (y) the acceleration of the maturity of any Debt binding on or affecting it or any of its Subsidiaries, or (z) any third party to terminate or acquire rights under any Material Agreement or Material Permit of it or any of its Subsidiaries.
 - (d) **Corporate Action, Governmental Approvals, etc.** The execution and delivery by each of it and each of its Subsidiaries of the Transaction Documents to which such Person is a party and the performance by such Person of its obligations thereunder have been duly authorized by all necessary corporate, limited partnership, partnership or other action, as the case may be, including, without limitation, the obtaining of all necessary shareholder or unitholder consents. No authorization, consent, approval, registration, qualification,

designation, declaration or filing with any Governmental Entity or other Person, is or was necessary in connection with the execution, delivery and performance of obligations by each of it and its Subsidiaries under the Transaction Documents to which such Person is a party except as are in full force and effect, unamended, at the date of this Agreement.

- (e) **Execution and Binding Obligation.** The Transaction Documents have been duly executed and delivered by each Obligor which is a party thereto and constitute legal, valid and binding obligations of such Person, as applicable, enforceable against such Person, as applicable, in accordance with their respective terms, subject only to any limitation under applicable Laws relating to (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally; and (ii) the discretion that a court may exercise in the granting of equitable remedies.
- (f) **Location of Business.** At the Call Option Exercise Date, the only jurisdictions (or registration districts within such jurisdictions) in which it or any of its Subsidiaries has any place of business or stores any tangible personal property will be notified to the Lender in the Side Letter on the later to occur of (i) the Call Option Exercise Date or (ii) the date on which the Grace Period expires.
- (g) **Material Permits, etc.** It and each of its Subsidiaries possess all Authorizations necessary to properly conduct their respective businesses. The Material Permits that will be notified to the Lender in the Side Letter are the only Material Permits of SGC and of its Subsidiaries, as applicable. Each such Material Permit is (i) in full force and effect; and (ii) not subject to any dispute. No event has occurred which, with the giving of notice, lapse of time or both, would constitute a default under, or in respect of, any such Material Permit.
- (h) **Trademarks, Patents, etc.** It and each of its Subsidiaries possesses all the trademarks, trade names, copyrights, patents and licences reasonably necessary for the conduct of their respective businesses. To its best knowledge neither it nor any of its Subsidiaries is infringing or is alleged to be infringing upon the rights of any Person with respect to any patent, trademark, trade name, copyright (or any application or registration in respect thereof), licence, discovery, improvement, process, formula, know-how, data, plan or specification. All the trademarks, trade names, copyrights, patents and intellectual property licences (other than software licences) of it and each of its Subsidiaries are set forth in the Side Letter.
- (i) **Ownership of Property and Assets.** Except for Permitted Liens, it and each of its Subsidiaries has good and valid title in fee simple to the Owned Properties and good and valid title to all of its or their other properties and Assets including, without limitation, the tangible and intangible personal property reflected as assets in their books and records. Neither it nor any of its Subsidiaries (i) owns any real property other than the Owned Properties; (ii) is bound by any agreement to own or lease any real property except for the Leases; or (iii) has leased any of its Owned Properties except pursuant to a

Material Agreement. It and each of its Subsidiaries owns, leases or has the lawful right to use all of the Assets necessary for the conduct of its business. Stratos Cyprus owns no Assets other than 130,000 ordinary shares of Stratos B.V. Stratos B.V. owns no Assets other than 201,149,427 shares of Stratos Ireland; and 130 class A shares and 70 class B shares of Xantic. Stratos Ireland owns no Assets other than its right, title and interest in certain bank accounts maintained with Bank of America or Royal Bank of Canada and a demand loan agreement dated February 8, 2006 between Stratos Ireland, as lender and SWI, as borrower.

- (j) **Leased Properties.** Each Lease is in good standing and all amounts owing under it have been paid by it or its Subsidiaries, as applicable.
- (k) **Work Orders.** There are no outstanding work orders relating to the Subject Properties from or required by any Governmental Entity, nor does it or any of its Subsidiaries have notice of any possible impending or future work order.
- (l) **Expropriation.** No part of any of the Subject Properties or the Buildings and Fixtures located on the Subject Properties has been taken or expropriated by any Governmental Entity, no written notice or proceeding in respect of an expropriation has been given or commenced nor is it or any of its Subsidiaries aware of any intent or proposal to give any such notice or commence any proceedings.
- (m) **Encroachments.** Except for Permitted Liens, the Buildings and Fixtures located at each of the Subject Properties are located entirely within such Subject Property and are in conformity with set-back and coverage requirements of all applicable Governmental Entities. There are no material encroachments upon any of the Subject Properties.
- (n) **Compliance with Laws.** Each of the Subject Properties has been used, and it and each of its Subsidiaries are, in compliance in all material respects with all applicable Laws.
- (o) **No Default.** No Event of Default (as defined in this Agreement) is continuing or is reasonably likely to result from the making of any Utilisation or the entry into, the performance of, or any transaction contemplated herein. Neither it nor any of its Subsidiaries is in violation of its constating documents, its by-laws or any shareholders' agreement applicable to it.
- (p) **Subsidiaries, etc.** At the Call Option Exercise Date (i) there are no Subsidiaries of the Borrower other than the Subsidiaries identified a such in the Side Letter; (ii) the share ownership of each of such Subsidiaries is as described in the Side Letter; and (iii) neither it nor any of its Subsidiaries is, directly or indirectly, a member of, or participant in, any partnership, joint venture or syndicate except as described in the Side Letter.
- (q) **No Burdensome Agreements.** Neither it nor any of its Subsidiaries is a party to any agreement or instrument or subject to any restriction (including any

restriction set forth in its constating documents, by-laws or any shareholders' agreement applicable to it) which could reasonably be expected to have a Material Adverse Effect.

- (r) **No Litigation.** Except as set forth in the Side Letter, as at Call Option Exercise Date there are no actions, suits, arbitrations or proceedings pending, taken or, to its knowledge, threatened, before or by any Governmental Entity or other Person affecting it or any of its Subsidiaries which could reasonably be expected to have a Material Adverse Effect. No law, rule, regulation, by-law, decision, order or judgment which may affect it or any of its Subsidiaries has been enacted, promulgated or applied which challenges, or to the best of its knowledge, has been proposed which may challenge, the validity or propriety of the Transaction Documents or the transactions contemplated thereunder.
- (s) **Environmental Compliance.** Except as does not otherwise have a Material Adverse Effect, its and its Subsidiaries' business and assets (i) are in material compliance with all Environmental Laws; (ii) possess and are operated in material compliance with all Environmental Permits which are required for the operation of their respective business; and (iii) are not subject to any past or present fact, condition or circumstances that could reasonably be expected to result in any material liability under any Environmental Laws.
- (t) **Material Agreements, etc.** As of the Call Option Exercise Date, neither it nor any of its Subsidiaries is a party or otherwise subject to or bound or affected by any Material Agreement, except as set out in the Side Letter. All Material Agreements are in full force and effect, and neither it nor any of its Subsidiaries, or to the best of its knowledge, any other party to any Material Agreement has defaulted in any material fashion under any of the Material Agreements. No event has occurred which, with the giving of notice, lapse of time or both, would constitute a material default under, or in respect of, any such Material Agreement. There is no material dispute regarding any such Material Agreement.
- (u) **Books and Records.** All books and records of the Borrower and its Subsidiaries have been fully, properly and accurately kept and completed in accordance with GAAP and there are no material inaccuracies or discrepancies of any kind contained or reflected therein. Its and its Subsidiaries' records, systems, controls, data or information are not recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which (including all means of access thereto and therefrom) are not under its direct control of it. It and each of its Subsidiaries have (i) maintained all its environmental and operating records in the manner and for the periods required by applicable Environmental Law; and (ii) filed all reports which are required by applicable Environmental Law to be filed on the happening of any reportable event.

- (v) **Tax Liability.** It and each of its Subsidiaries have filed all tax and information returns which are required to be filed and the information contained in such returns is correct and complete and reflects accurately all liability for taxes for the period covered. It and each of its Subsidiaries have paid all taxes, interest and penalties, if any, which have become due pursuant to such returns or pursuant to any assessment received by any of them other than those in respect of which liability based on such returns is being contested in good faith and by appropriate proceedings where adequate reserves have been established in accordance with GAAP. Adequate provision for payment has been made for taxes not yet due. There are no tax disputes existing or pending involving it, any of its Subsidiaries or its Business which could reasonably be expected to have a Material Adverse Effect. SGC is a resident of Canada within the meaning of the ITA and each of the partners of Stratos LP is a corporation which is a resident of Canada within the meaning of the ITA. Stratos LP has elected to be treated as a corporation for U.S. federal income tax purposes. Stratos LP has not been engaged in a United States trade or business within the meaning of Section 864 of the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and ruling issued thereunder (the "**Code**") and applicable Treasury Regulations.
- (w) **Corporate Structure.** The Side Letter sets forth a corporate chart showing as of the date thereof it and its Subsidiaries and any other entity in which it (directly or indirectly) has an interest, together with the particulars of such interests.
- (x) **Financial Statements.** The latest audited consolidated financial statements of the Borrower, the Guarantor and SGC (as are available after the Call Option Exercise Date), copies of each of which have been furnished to the Lender, fairly present the consolidated financial position of the Borrower, the Guarantor and SGC at such dates and the consolidated results of the operations and changes in financial position of the Borrower, the Guarantor and SGC for such period, all in accordance with GAAP.
- (y) **Insurance.** Each of the Borrower and its Subsidiaries maintains or causes to be maintained insurance with responsible insurance carriers and in such amounts and covering such risks as are usually carried by companies engaged in similar business and owning similar properties in the same general areas in which the Borrower and any of its subsidiaries, as the case may be, operate, with such policies, in the case of property insurance policies, sharing the Lender as loss payee or additional insured, as applicable, under a mortgage clause in a form approved by the Insurance Bureau of Canada and the equivalent governing body of the United States of America as applicable.
- (z) **Pension Plans.** The Side Letter contains a list of all pension plans of the Borrower and its Subsidiaries as at the date thereof. All contributions required under applicable Law in respect of each pension plan maintained by the Borrower or any of its Subsidiaries have been made (except for contributions, the outstanding status of which cannot be reasonably expected to have a

Material Adverse Effect). Each pension plan maintained by it or any of its Subsidiaries is fully funded on both an ongoing and a termination basis. The Borrower and its Subsidiaries are in compliance with all provisions of ERISA (where applicable), except to the extent that all failures to be in compliance could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

- (aa) **Existing Debt.** The Side Letter sets forth the commitments of any lenders for all Debt as at the date thereof (which shall include Debt incurred under the Senior Loan Facility) of the Borrower and each of its Subsidiaries.
- (bb) **Capitalization.** The capital stock of each of the corporate Subsidiaries of the Borrower identified in the Side Letter is duly authorized, fully paid and non-assessable.
- (cc) **Financial Information.** Neither this Agreement nor any forecast or certificate furnished to the Lender by or on behalf of the Borrower or any of its Subsidiaries in connection with the transactions contemplated by this Agreement, contain any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading under the circumstances in which they were made at the time such statements are made. All forecasts and projections supplied to the Lender in connection with the transactions contemplated by this Agreement were prepared in good faith, disclosed all assumptions relevant and the most recent versions of all such forecasts provided to the Lender are, in the opinion of the Borrower, reasonable estimates of the prospect of the Business. There is no fact known to it or any of its Subsidiaries which it has not disclosed to the Lender which could reasonably be expected to have a Material Adverse Effect.
- (dd) **Investment Company Act.** Neither the Borrower nor any of its Subsidiaries is an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.
- (ee) **Public Utility Holding Company Act.** Neither SGC nor any of its Subsidiaries is a "holding company", or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended.
- (ff) **Use of Proceeds; Margin Regulations.** Neither the making of any Utilisation (as defined in this Agreement) nor the use of the proceeds thereof nor the occurrence of any other Utilisation (as defined in this Agreement) will violate or be inconsistent with the provisions of the Margin Regulations. No part of any Utilisation (as defined in this Agreement) (or the proceeds thereof) will be used to purchase or carry any Margin Stock or to extend credit for the purpose of purchasing or carrying any Margin Stock.

- (gg) **No Material Adverse Change.** Other than as publicly disclosed in press releases made by SGC, the Borrower or the Guarantor with a national news wire service or in public filings made by SGC or the Guarantor with the Ontario Securities Commission prior to the date hereof, there has not occurred or become known any Material Adverse Change since the later to occur of (i) Call Option Exercise Date and (ii) the date of the expiry of the Grace Period, it being acknowledged and agreed by the Lenders that SGC's financial results for the Financial Quarter ended on the quarter day nearest to the later to occur of (i) Call Option Exercise Date and (ii) the date of the expiry of the Grace Period and related adjustment of fiscal 2008 guidance, and any changes or events directly related thereto, including without limitation a ratings downgrade or a goodwill impairment charge, shall not constitute a Material Adverse Change for the purposes hereof.

3. **Survival of Representations and Warranties**

The representations and warranties in this Agreement and in any certificates or documents delivered to the Lender shall not merge in or be prejudiced by and shall survive any Utilisation (as defined in this Agreement) and shall continue in full force and effect so long as any amounts are owing by the Borrower to the Lender under this Agreement.

SCHEDULE 10
INFORMATION UNDERTAKINGS

1. **Incorporation of defined terms**

- (a) Unless a contrary indication appears, a term defined in Schedule 9 shall have the same meaning in this Schedule.
- (b) The principles of construction set out in Schedule 9 shall have the same effect in this Schedule.

2. So long as any amount owing under this Agreement remains unpaid or any Lender has any obligation under this Agreement, and unless consent to the contrary is given in accordance with Clause 37 (*Amendments and Waivers*), the Borrower shall from the Call Option Exercise Date:

3. **Financial Reporting**

Deliver to the Lender:

- (a) as soon as available and in any event within 45 days after the end of each of the first three Financial Quarters in each Financial Year (y) a consolidated balance sheet of SGC, the Guarantor and the Borrower as of the end of the Financial Quarter, and (z) the related consolidated statements of operations and cash flow for the Financial Quarter and (if already available for the corresponding previous period) for the period commencing at the end of the previous Financial Year and ending with the end of the Financial Quarter; in each case (except for the statement of cash flow) setting forth in comparative form the figures, if such figures are already available, for the corresponding Financial Quarter and corresponding portion of the previous Financial Year;
- (b) as soon as available and in any event within 120 days after the end of each Financial Year (including, for greater certainty, the Financial Year ending 31 December 2008), a copy of the audited consolidated financial statements of SGC, the Guarantor and the Borrower for the Financial Year reported on by SGC's, the Guarantor's and the Borrower's independent auditors (in the case of paragraph (i) above and this paragraph (ii), it is agreed that SGC, the Guarantor and the Borrower may furnish the information specified therein by notifying the Lender in writing that such information is, and making such information, available on SEDAR);
- (c) together with each delivery of financial statements specified in paragraphs (a) and (b) above, a Compliance Certificate;
- (d) together with the financial statements delivered pursuant to this paragraph (a), a reconciliation of such financial statements to U.S. GAAP;
- (e) together with the financial statements delivered pursuant to paragraph (b) in respect of the Financial Year ending after Completion, a certificate of a senior

officer of the Borrower (providing such detail as the Lender may reasonably require) as to Excess Cash Flow for such Financial Year;

- (f) as soon as practicable and in any event within 120 days after the end of each Financial Year, the Annual Business Plan.

4. **Additional Reporting Requirements**

Deliver to the Lender:

- (a) as soon as available, and in any event within five Business Days after the Borrower or any Subsidiary of the Borrower learns of the occurrence of a Default or Event of Default, a statement of the chief financial officer of the Borrower or any other officer acceptable to the Lender setting forth the details of the Default or Event of Default and the action (if any) which the Borrower proposes to take or has taken;
- (b) written notice of any Material Adverse Change or any event which, with notice or lapse of time or both, could reasonably be expected to result in a Material Adverse Change or Event of Default within five Business Days after the Borrower or any Subsidiary of the Borrower learns thereof;
- (c) together with the Compliance Certificate to be delivered pursuant to paragraph 3(c), written notice of any previously undisclosed (q) trademarks, tradenames, copyrights, patents and intellectual property licences (other than software licenses), (r) jurisdictions (or registration districts within such jurisdictions) in which the Borrower or any of its Subsidiaries has any place of business or stores any tangible personal property with a value exceeding [intentionally left blank] (or the equivalent amount in any other currency), (s) Subsidiaries of the Borrower or membership, partnership, joint venture, syndicate interest or other interest of the Borrower or any of its Subsidiaries in any other Person, (t) actions, suits, arbitrations or proceedings pending, taken or threatened before or by any Governmental Entity or other Person affecting the Borrower or any of its Subsidiaries, (u) Lease or acquisition of real property by the Borrower or any of its Subsidiaries, (v) Material Permits, (w) pension plans of the Borrower or any of its Subsidiaries, (x) Material Agreements, and (y) labour contracts or collective agreements of the Borrower or any of its Subsidiaries in each case promptly after the Borrower or any of its Subsidiaries learns thereof;
- (d) from time to time upon request of the Lender, evidence of the maintenance of all insurance required to be maintained pursuant to the Senior Loan Facility, including originals or copies as the Lender may request of policies, certificates of insurance, riders, endorsements and proof of premium payments;
- (e) promptly upon their issuance, copies of all notices, reports, press releases, circulars, offering documents and other documents filed with, or delivered to, any stock exchange or the Ontario Securities Commission or a similar Governmental Entity in any other jurisdiction (it is agreed that the Borrower

may furnish the information specified in this paragraph (e) by making such information available on SEDAR); and

- (f) such other information respecting the condition or operations, financial or otherwise, of the Borrower or any of its Subsidiaries as the Lender may from time to time reasonably request.

5. **Status of Accounts and Collateral**

With respect to the Collateral:

- (a) maintain, or cause to be maintained, books and records pertaining to the Collateral in such detail, form and scope as the Lender reasonably requires;
- (b) report immediately to the Lender any matters materially adversely affecting the value, enforceability or collectibility of the Collateral, taken as a whole;
- (c) if any amount payable under or in connection with any account in excess of [intentionally left blank] (or the equivalent amount in any other currency) is evidenced by a promissory note or other instrument, immediately pledge, endorse, assign and deliver, or cause each of its Subsidiaries to pledge, endorse, assign and deliver, to the Lender the promissory note or instrument, as additional collateral; and
- (d) notify the Lender in writing of any agreement respecting the Borrower or its Subsidiaries under which any terms of sale or service (written or oral) which are materially different from normal operating procedures may have been or will be granted.

SCHEDULE 11
GENERAL UNDERTAKINGS

1. **Definitions**

In Schedule 11 and Schedule 12, unless a contrary indication appears:

"**Affiliate**" of any specified Person means (a) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person or (b) any executive officer or director of such specified Person. For purposes of this definition, "control", as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise, **provided that** beneficial ownership of 10% or more of the Voting Stock of a Person shall be deemed to be control. For purposes of this definition, the terms "controlling", "controlled by" and "under common control with" shall have correlative meanings.

"**Attributable Debt**" in respect of a Sale and Leaseback Transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such Sale and Leaseback Transaction, including any period for which such lease has been extended or may, at the option of the lessor, be extended. Such present value will be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP.

"**Bankruptcy Law**" means Title 11, U.S. Code or any similar federal or state law for the relief of debtors, the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada) or any other Canadian federal or provincial law or the law of any other jurisdiction relating to bankruptcy, insolvency, winding up, liquidation, reorganisation or relief of debtors.

"**Board of Directors**" means:

- (a) with respect to a corporation, the board of directors of the corporation or a duly authorised committee thereof;
- (b) with respect to a partnership, the Board of Directors of the general partner of the partnership; and
- (c) with respect to any other Person, the board or committee of such Person serving a similar function.

"**Board Resolution**" means a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors of the Company and to be in full force and effect on the date of such certification.

"**Borrower**" shall have the meaning given to it in this Agreement.

"**Capital Lease Obligation**" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalised on a balance sheet in accordance with GAAP.

"**Capital Stock**" means:

- (a) in the case of a corporation, corporate stock;
- (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (c) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and
- (d) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"**Cash Equivalents**" means:

- (a) securities issued or directly and fully guaranteed or insured by the government of the United States, Canada, the United Kingdom, France or Germany or any agency or instrumentality thereof (**provided that** the full faith and credit of the United States, Canada, the United Kingdom, France or Germany, as the case may be, is pledged in support thereof), maturing, unless such securities are deposited to defease any Indebtedness, not more than one year from the date of acquisition;
- (b) certificates of deposit, time deposits and Eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case, with any commercial bank having capital and surplus in excess of [intentionally left blank] and a rating at the time of acquisition thereof of P-1 or better from Moody's Investors Service, Inc., A-1 or better from Standard & Poor's Rating Services or an equivalent rating from any other appropriate rating agency;
- (c) repurchase obligations with a term of not more than seven days for underlying securities of the types described in paragraphs (a) and (b) above entered into with any financial institution meeting the qualifications specified in paragraph (b) above;
- (d) commercial paper having one of the two highest ratings obtainable from Moody's Investors Service, Inc., or Standard & Poor's Rating Services or any other appropriate rating agency and in each case maturing within nine months after the date of acquisition;
- (e) securities issued and fully guaranteed by any state, commonwealth or territory of the United States of America, any province of Canada, or by any political

subdivision or taxing authority thereof, rating at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Rating Services or any other appropriate rating agency and having maturities of not more than one year from the date of acquisition; and

- (f) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in paragraphs (a) through (e) of this definition.

"Consolidated Cash Flow" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus:

- (a) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; *plus*
- (b) Fixed Charges of such Person and its Restricted Subsidiaries for such period, to the extent that any such Fixed Charges were deducted in computing such Consolidated Net Income; *plus*
- (c) depreciation, amortisation (including amortisation of intangibles but excluding amortisation of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortisation of a prepaid cash expense that was paid in a prior period) of such person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortisation and other non-cash expenses were deducted in computing such Consolidated Net Income; *plus*
- (d) solely for the purpose of determining the amount of Indebtedness that may be Incurred under paragraph 6(a) of Schedule 11 hereof, severance costs, restructuring costs, asset impairment charges and acquisition transition services costs; provided, that in each case such costs or charges were deducted in calculating Consolidated Net Income; *plus*
- (e) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course,

in each case, on a consolidated basis and determined in accordance with GAAP.

Notwithstanding the preceding, the provision for taxes based on the income or profits of, the Fixed Charges of and the depreciation and amortisation and other non-cash expenses of, a Restricted Subsidiary of SGC that is not a Guarantor shall be added to the Consolidated Net Income to compute Consolidated Cash Flow of SGC (i) in the same proportion that the Net Income of such Restricted Subsidiary was added to compute such Consolidated Net Income of the Borrower and (ii) only to the extent that a corresponding amount would be permitted at the date of determination to be divided or distributed to the Borrower by such Restricted Subsidiary without prior governmental approval (that has not been obtained), and without direct or indirect restriction pursuant to the terms of

its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Subsidiary or its stockholders.

"Consolidated Leverage Ratio" means with respect to any specified Person, as of the date of calculation (the **"Calculation Date"**), the ratio of (i) the aggregate outstanding Indebtedness of the Person and its Restricted Subsidiaries on the Calculation Date, on a consolidated basis, to (ii) the Consolidated Cash Flow of such Person and its Restricted Subsidiaries on a consolidated basis for the most recently ended four fiscal quarters for which internal financial statements are available, immediately preceding the Calculation Date. In the event that the specified Person or any of its Restricted Subsidiaries Incurs, repays, repurchases or redeems any Indebtedness subsequent to the commencement of the period of the most recently ended four fiscal quarters for which internal financial statements are available and on or prior to the Calculation Date, then the Consolidated Leverage Ratio shall be calculated giving pro forma effect to such Incurrence, repayment, repurchase or redemption of Indebtedness and the use of the proceeds therefrom as if the same had occurred at the beginning of such period.

In addition, for purposes of calculating the Consolidated Leverage Ratio:

- (a) acquisitions and dispositions of business entities or property and assets constituting a division or line of business of any Person that have been made by the specified person or any of its Restricted Subsidiaries, including through mergers or consolidations, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date shall be given pro forma effect as if they had occurred on the first day of the four-quarter reference period and Consolidated Cash Flow for such reference period shall be calculated on a pro forma basis in accordance with Regulation S-X under the Securities Act;
- (b) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, shall be excluded; and
- (c) the Indebtedness attributable to discontinued operations, as determined in accordance with GAAP shall be excluded, but only to the extent that such Indebtedness shall not be an obligation of the specified Person or any of its Restricted Subsidiaries following the Calculation Date.

"Consolidated Net Income" means, with respect to any specified Person for any period the aggregate of the Net Income of such Person and its Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP, **provided that:**

- (a) the Net Income or loss of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid in cash to the specified Person or a Restricted Subsidiary thereof;
- (b) the Net Income of any Restricted Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination

permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its equityholders;

- (c) solely for purpose of determining the amount available for Restricted Payments under paragraph (C)(1) of the paragraph 7(a) of Schedule 11 hereof, the Net Income of any Person acquired during the specified period for any period prior to the date of such acquisition shall be excluded;
- (d) the cumulative effect of a change in accounting principles shall be excluded; and
- (e) notwithstanding paragraph (a) above, the Net Income or loss of any Unrestricted Subsidiary shall be excluded, whether or not distributed to the specified Person or one of its Subsidiaries.

"Consolidated Total Assets" means, at any date of determination, the total amount of assets as set forth on the consolidated balance sheet of the SGC for the SGC's most recently ended fiscal quarter for which internal financial statements are available; prepared in accordance with GAAP.

"Credit Agreement" means Senior Loan Facility Agreement.

"Credit Facilities" means one or more debt facilities, commercial paper facilities, in each case with banks or other institutional lenders, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), letters of credit, in each case, as amended, restated, modified, renewed refunded, replaced or refinancing in whole or in part from time to time.

"Default" has the meaning given to it in this Agreement.

"Disposal" shall have the meaning given to it in this Agreement.

"Disqualified Stock" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is one year after the date on which the Target Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Borrower to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale shall not constitute Disqualified Stock if the terms of such Capital Stock provide that the Borrower may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the provisions of paragraph 7 hereof. The term "Disqualified Stock" shall also include any options, warrants or other rights that are convertible into Disqualified Stock or that are

redeemable at the option of the holder, or required to be redeemed, prior to the date that is one year after the date on which the Target Notes mature.

"Domestic Subsidiary" means each Restricted Subsidiary of the Borrower that is organised or existing under the laws of (a) the United States, any state thereof or the District of Columbia or (b) Canada or any province or territory thereof.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"Event of Default" has the meaning given to it in this Agreement.

"Existing Indebtedness" means the aggregate amount of Indebtedness of the Borrower and its Restricted Subsidiaries (other than Indebtedness under this Agreement, the Credit Agreement or under the Target Notes and the related Note Guarantees) in existence on the Call Option Exercise Date after giving effect to the application of the proceeds of (a) any borrowings made under this Agreement prior to the Call Option Exercise Date, (b) the Notes and (c) any borrowings made under the Credit Agreement prior to the Call Option Exercise Date until such amounts are repaid.

"Fair Market Value" means the price that would be paid in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors of the Borrower whose determination, unless otherwise specified below, will be conclusive if evidenced by a Board Resolution. Notwithstanding the foregoing, (a) the Board of Directors' determination of Fair Market Value must be evidenced by a Board Resolution delivered to the Lender if the Fair Market Value exceeds [intentionally left blank] (or its equivalent in other currencies) and (b) the Board of Directors' determination of Fair Market Value must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of national standing if the Fair Market Value exceeds [intentionally left blank] (or its equivalent in other currencies).

"Fixed Charges" means, with respect to any specified Person for any period, the sum, without duplication, of:

- (a) the consolidated interest expense of, and the amount charged to shareholders' equity in respect of interest on Indebtedness of, such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortisation of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations; *plus*
- (b) the consolidated interest of such Person and its Restricted Subsidiaries that was capitalised during such period; *plus*

- (c) any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon; *plus*
- (d) the product of (i) all dividends, whether paid or accrued and whether or not in cash, on any series of Disqualified Stock of such Person or any of its Restricted Subsidiaries or Preferred Stock of such Person's Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests (other than Disqualified Stock) of the Company or to the Company or a Restricted Subsidiary of the Company, times (ii) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal,

in each case, on a consolidated basis and in accordance with GAAP.

"**GAAP**" means generally accepted accounting principles set forth in the opinions and pronouncements of the Canadian Institute of Chartered Accountants, which are in effect from the Call Option Exercise Date until the Target Notes are repaid. Thereafter GAAP shall have the meaning given to it in Schedule 9 (*Representations and Warranties*) and be applied in accordance with the Accounting Terms and Calculations provision set out in Schedule 9 (*Representations and Warranties*).

"**Guarantee**" means, as to any Person, a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness of another Person.

"**Hedging Obligations**" means, with respect to any specified Person, the obligations of such Person under:

- (a) interest rate swap agreements, interest rate cap agreements, interest rate collar agreements and other agreements or arrangements with respect to interest rates;
- (b) commodity swap agreements, commodity option agreements, forward contracts and other agreements or arrangements with respect to commodity prices; and
- (c) foreign exchange contracts, currency swap agreements other agreements or arrangements with respect to foreign currency exchange rates.

"**Holder**" means a Person in whose name a Target Note is registered.

"**Incur**" means, with respect to any Indebtedness, to incur, create, issue, assume, Guarantee or otherwise become directly or indirectly liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness (and "Incurrence" and "Incurred" will have meanings correlative to the foregoing); **provided that:**

- (a) any Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary of the Borrower shall be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary of the Borrower; and
- (b) neither the accrual of interest nor the accretion of original issue discount nor the payment of interest in the form of additional Indebtedness with the same terms and the payment of dividends on Disqualified Stock or Preferred Stock in the form of additional shares of the same class of Disqualified Stock or Preferred Stock (to the extent provided for when the Indebtedness or Disqualified Stock or Preferred Stock on which such interest or dividend is paid was originally issued) shall be considered an Incurrence of Indebtedness;
- (c) **provided that** in each case the amount thereof is for all other purposes included in the Fixed Charges and Indebtedness of the Borrower or its Restricted Subsidiary as accrued.

"**Indebtedness**" means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent (without duplication):

- (a) in respect of borrowed money;
- (b) evidenced by bonds, notes, debentures or similar instruments or letters of cash (or reimbursement agreements in respect thereof);
- (c) in respect of banker's acceptances;
- (d) in respect of Capital Lease Obligations and Attributable Debt;
- (e) in respect of the balance deferred and unpaid of the purchase price of any property or services, except any such balance that constitutes an accrued expense or trade payable;
- (f) representing Hedging Obligations;
- (g) representing Disqualified Stock valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued dividends; or
- (h) in the case of a Subsidiary of such Person, representing Preferred Stock valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued dividends,

if and to the extent any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP.

In addition, the term "indebtedness" includes (x) all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person), **provided that** the amount of such Indebtedness shall be the lesser of (i) the Fair Market Value of such asset at such date of determination and (ii) the amount of such Indebtedness, and (y) to the extent not otherwise included, the Guarantee

by the specified Person of any Indebtedness of any other Person. For purposes hereof, the "maximum fixed repurchase price" of any Disqualified Stock or Preferred Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock or Preferred Stock, as applicable, as if such Disqualified Stock or Preferred Stock were repurchased on any date on which Indebtedness shall be required to be determined pursuant to this Agreement.

The amount of any Indebtedness outstanding as of any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligations, and shall be:

- (i) the accreted value thereof, in the case of any Indebtedness issued with original issue discount; and
- (ii) the principal amount thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

"Indenture" means the indenture dated 13 February 2006 pursuant to which the Target Notes have been issued.

"Investments" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the form of loans or other extensions of credit (including Guarantees), advances, capital contributions (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP.

If the Borrower or any Restricted Subsidiary of the Borrower sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of the Borrower such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of the Borrower, the Borrower shall be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Investment in such Subsidiary not sold or disposed of. The acquisition by the Borrower or any Restricted Subsidiary of the Borrower of a Person that holds an Investment in a third Person shall be deemed to be an Investment by the Borrower or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Borrower held by the acquired Person in such third Person.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"Net Income" means, with respect to any specified Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of a Preferred Stock dividends, excluding, however:

- (a) any gain or loss, together with any related provision for taxes on such gain or loss, realised in connection with (i) any sale of assets outside the ordinary course of business of such Person, or (ii) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries; and
- (b) any extraordinary gain or loss, together with any related provision for taxes on such extraordinary gain or loss.

"Note Guarantee" means a Guarantee of the Notes pursuant to the Indenture.

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Officer" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Corporate Secretary, any Assistant Corporate Secretary or any Senior Vice-President or Vice-President of such Person.

"Officers' Certificate" means a certificate signed on behalf of the Borrower by at least two Officers of the Borrower, one of whom must be the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of the Borrower, that meets the requirements of this Agreement.

"Permitted Business" means any business of owning, leasing, servicing and/or operating satellites and/or offering via satellite transmission, fixed and/or wireless service and/or microwave radio voice, fax, video and data signals, including owning, leasing, servicing and/or operating the related ground networks and the associated transmission facilities, and any other business reasonably related or ancillary thereto or utilising comparable new technologies.

"Permitted Investments" means:

- (a) any Investment in the Borrower or in a Restricted Subsidiary of the Borrower;
- (b) any Investment in Cash Equivalents;
- (c) any Investment by the Borrower or any Restricted Subsidiary of the Borrower in a Person, if as a result of such Investment:
 - (i) such Person becomes a Restricted Subsidiary of the Borrower; or
 - (ii) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Borrower or a Restricted Subsidiary of the Borrower;

- (d) any Investment made as a result of the receipt of non-cash consideration from a Disposal that was made pursuant to and in compliance with Clause 8 (*Mandatory Prepayment*) hereof or a sale or disposition of assets excluded from the definition of Disposal;
- (e) Hedging Obligations that are Incurred for the purpose of fixing, hedging or swapping interest rate, commodity price or foreign currency exchange rate risk (or to reverse or amend any such agreements previously made for such purposes), and not for speculative purposes, and that do not increase the Indebtedness of the obligor outstanding at any time other than as a result of fluctuations in interest rates, commodity prices or foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder;
- (f) stock, obligations or securities received as a result of the bankruptcy or reorganisation of any Person or taken in settlement or other resolutions of claims or disputes or in satisfaction of judgments and extensions, modifications and renewals thereof;
- (g) advances to customers or suppliers in the ordinary course of business that are, in conformity with GAAP, recorded as accounts receivable, prepaid expenses or deposits on the balance sheet of the Borrower or its Restricted Subsidiaries and endorsements for collection or deposit arising in the ordinary course of business;
- (h) commission, payroll, travel and similar advances to officers and employees of the Borrower or any of its Restricted Subsidiaries that are expected at the time of such advance ultimately to be recorded as an expense in conformity with GAAP;
- (i) Investments in existence on the Call Option Exercise Date; and
- (j) other Investments in any Person (**provided that** any such Person is not an Affiliate of the Borrower or is an Affiliate of the Borrower solely because the Borrower, directly or indirectly, owns Equity Interests in, or controls, such Person) having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this paragraph (j) since the Call Option Exercise Date, not to exceed the greater of (i) [intentionally left blank] (or its equivalent in other currencies) and (ii) 3.5% of Consolidated Total Assets.

"Permitted Liens" means:

- (a) Liens on the assets of the Borrower and any Guarantor securing Indebtedness Incurred under Credit Facilities including, for the avoidance of doubt liens securing the Senior Loan Facility (including Guarantees thereof) in an aggregate amount at any one time outstanding not to exceed at the time of Incurrence of any Lien under this paragraph (a) the greater of (i) the amount of Indebtedness

permitted to be Incurred under paragraph (b)(i) of paragraph 6 hereof and (ii) the Secured Debt Cap;

- (b) Liens in favour of the Borrower or any Restricted Subsidiary that is a Guarantor;
- (c) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Borrower or any Restricted Subsidiary of the Borrower or becomes a Restricted Subsidiary of the Borrower; **provided that** such Liens were in existence prior to the contemplation of such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with or acquired by the Borrower or the Restricted Subsidiary;
- (d) Liens on property existing at the time of acquisition thereof by the Borrower or any Restricted Subsidiary of the Borrower, **provided that** such Liens were in existence prior to the contemplation of such acquisition and do not extend to any property other than the property so acquired by the Borrower or the Restricted Subsidiary;
- (e) Liens securing the Target Notes and the Note Guarantees and any amounts outstanding under this Agreement;
- (f) Liens existing on the Call Option Exercise Date (other than Liens securing Indebtedness Incurred under paragraph (b)(i) of paragraph 6 hereof);
- (g) Liens securing Permitted Refinancing Indebtedness, **provided that** such Liens do not extend to any property or assets other than the property or assets that secure the Indebtedness being refinanced;
- (h) Liens on property or assets used to defease or to satisfy and discharge Indebtedness; **provided that** (a) the Incurrence of such Indebtedness was not prohibited by this Indenture and (b) such defeasance or satisfaction and discharge is not prohibited by this Agreement;
- (i) Liens securing obligations that do not exceed [intentionally left blank] (or its equivalent in other currencies) at any one time outstanding;
- (j) Liens to secure Indebtedness (including Capital Lease Obligations) permitted by paragraph (b)(iv) of paragraph 6 hereof; **provided that** any such Lien (i) covers only the assets acquired, constructed or improved with such Indebtedness and (ii) is created within 270 days of such acquisition, construction or improvement.
- (k) Liens on cash or Cash Equivalents securing Hedging Obligations of the Borrower or any of its Restricted Subsidiaries (i) that are Incurred for the purpose of fixing, hedging or swapping interest rate, commodity price or foreign currency exchange rate risk (or to reverse or amend any such agreements previously made for such purposes), and not for speculative purposes, or (b) securing letters of credit that support such Hedging Obligations;

- (l) Liens incurred or deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance or other social security obligations;
- (m) Liens, deposits or pledges to secure the performance of bids, tenders, contracts (other than contracts for the payment of Indebtedness), leases, or other similar obligations arising in the ordinary course of business;
- (n) survey exceptions, encumbrances, easements or reservations of, or rights of other for, rights of way, zoning or other restrictions as to the use or properties, and defects in title which, in the case of any of the foregoing, were not incurred or created to secure the payment of Indebtedness, and which in the aggregate do not materially adversely affect the value of such properties or materially impair the use for the purposes of which such properties are held by the Borrower or any of its Restricted Subsidiaries;
- (o) judgment and attachment Liens not giving rise to an Event of Default and notice of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;
- (p) Liens, deposits or pledges to secure public or statutory obligations, surety, stay, appeal, indemnity, performance or other similar bonds or obligations; and Liens, deposits or pledged in lieu of such bonds or obligations, or to secure such bonds or obligations, or to secure letters of credit in lieu of or supporting the payment of such bonds or obligations;
- (q) Liens in favour of collecting or payor banks having a right of set off, revocation, refund or chargeback with respect to money or instruments of the Borrower or any Subsidiary thereof on deposit with or in possession of such bank;
- (r) any interest or title of a lessor, licensor or sub-licensor in the property subject to any lease, license or sublicense (other than any property that is the subject of a Sale Leaseback Transaction);
- (s) Liens for taxes, assessments and governmental charges not yet delinquent or being contested in good faith and for which adequate reserves have been established to the extent required by GAAP;
- (t) Liens arising from precautionary UCC financing statements regarding operating leases or consignments;
- (u) Liens of franchisors in the ordinary course of business not securing Indebtedness;
- (v) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, materialmen, repairmen and other Liens imposed by law incurred in the ordinary course of business for sums not yet delinquent by more than 60 days or being contested in good faith, if such reserve or other appropriate

provision, if any, as shall be required by GAAP shall have been made in respect thereof;

- (w) the reservations, limitations, provisos and conditions, if any, expressed in any original grant from the Crown of any real property or any interest therein or any comparable grant in jurisdictions other than Canada, and which in the aggregate do not materially adversely affect the value of such properties or materially impair the use for the purposes of which such properties are held by the Borrower or any of its Restricted Subsidiaries;
- (x) Liens given to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the operation of any business or assets of the Borrower or any of its Restricted Subsidiaries, and which in the aggregate do not materially adversely affect the value of such properties or materially impair the use for the purposes of which such properties are held by the Borrower or any of its Restricted Subsidiaries;
- (y) servicing agreements, development agreements, site plan agreements and other agreements, in each case, with governmental entities pertaining to the use or development of any of assets of the Borrower or any of its Restricted Subsidiaries, and which in the aggregate do not materially adversely affect the value of such properties or materially impair the use for the purposes of which such properties are held by the Borrower or any of its Restricted Subsidiaries; and
- (z) the right reserved to or vest in any governmental entity by any statutory provision or by the terms of any lease, license, franchise, grant or permit to terminate any such lease, license, franchise, grant or permit or to require annual or other payments as a condition to the continuance thereof.

"Permitted Refinancing Indebtedness" means any Indebtedness of the Borrower or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of the Borrower or any of its Restricted Subsidiaries (other than intercompany Indebtedness); **provided that:**

- (a) the amount of such Permitted Refinancing Indebtedness does not exceed the amount of the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded (plus all accrued and unpaid interest thereon and the amount of any reasonably determined premium necessary to accomplish such refinancing and such reasonable expenses incurred in connection therewith);
- (b) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

- (c) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the Lender, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Lender, on terms at least as favourable, taken as a whole, to the Lender as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;
- (d) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is *pari passu* in right of payment with the Lender such Permitted Refinancing Indebtedness is *pari passu* with, or subordinated in right of payment to, the Lender; and
- (e) such Indebtedness is Incurred by either (i) the Restricted Subsidiary that is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded or (ii) the Borrower.

"**Person**" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organisation, limited liability company or government or other entity.

"**Preferred Stock**" means, with respect to any Person, any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemptions upon liquidation.

"**Restricted Investment**" means an Investment other than a Permitted Investment.

"**Restricted Subsidiary**" of a Person means any Subsidiary of such Person that is not an Unrestricted Subsidiary.

"**Sale and Leaseback Transaction**" means, with respect to any Person, any transaction involving any of the assets of properties of such Person whether now owned or hereafter acquired, whereby such Person sells or otherwise transfers such assets or properties and then or thereafter leases such assets or properties or any part thereof or any other assets or properties which such Person intends to use for substantially the same purpose or purposes as the assets or properties sold or transferred.

"**Secured Debt Cap**" means, on any date, an amount equal to (a) [intentionally left blank] times the Consolidated Cash Flow of the Company and its Restricted Subsidiaries for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding such date, *minus* (b) the aggregate amount of secured Indebtedness of the Company and its Restricted Subsidiaries outstanding on such date (other than Indebtedness secured by Liens under clause (1) of the definition "Permitted Liens"). In the event that the Company or any of its Restricted Subsidiaries Incurs, repays or redeems any secured Indebtedness on such date, then the Secured Debt Cap shall be calculated giving pro forma effect to such Incurrence, repayment or redemption. In addition, for purposes of making the computation referred to above, (1) acquisitions that have been made by the Company or any of its Restricted Subsidiaries, including through mergers or consolidations, since the beginning of the

four-quarter period referred to above, shall be deemed to have occurred on the first day of the four-quarter period giving pro forma effect to such acquisition in accordance with the provisions under the definition of "Consolidated Leverage Ratio", and (2) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of since the beginning of the four-quarter period referred to above, shall be excluded.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended, and the rules and regulations thereunder, including any successor legislation and rules and regulations.

"**Significant Subsidiary**" means any Subsidiary that would constitute a "Significant Subsidiary" within the meaning of Article 1 of Regulation S-X of the Securities Act.

"**Stated Maturity**" means, with respect to any instalment of interest or principal on any series of Indebtedness, the date on which such payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"**Subsidiary**" means, with respect to any specified Person:

- (a) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and
- (b) any partnership (i) the sole general partner or the managing general partner of which is such Person or (ii) the only general partners of which are such Person or one or more Subsidiaries of such Person (or any combination thereof).

"**Target Notes**" has the meaning given to it in this Agreement.

"**Unrestricted Subsidiary**" means any Subsidiary of the Borrower that is designated by the Board of Directors of the Borrower as an Unrestricted Subsidiary pursuant to a Board Resolution in compliance with paragraph 12 hereof and any Subsidiary of such Subsidiary.

"**Voting Stock**" of any Person as of any date means the Capital Stock of such Person that is ordinarily entitled to vote in the election of the Board of Directors of such Person.

"**Weighted Average Life to Maturity**" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- (a) the sum of the products obtained by multiplying (i) the amount of each then remaining instalment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

- (b) the then outstanding principal amount of such Indebtedness.

1.1 Rules of Construction

- (a) Unless the context otherwise requires:
 - (i) a term has the meaning assigned to it;
 - (ii) an accounting term not otherwise defined herein has the meaning assigned to it in accordance with GAAP;
 - (iii) "**or**" is not exclusive;
 - (iv) words in the singular include the plural, and in the plural include the singular;
 - (v) the words "**herein**", "**hereof**" and "**hereunder**" and other words of similar import refer to this Indenture as a whole and not to any particular Article Section or other subdivision;
 - (vi) "**including**" means "**including without limitation**";
 - (vii) "**will**" and "**shall**" have the same meaning;
 - (viii) provisions apply to successive events and transactions; and
 - (ix) references to sections of or rules under the Securities Act or the Exchange Act shall be deemed to include substitute, replacement or successor sections or rules adopted by the Commission from time to time thereunder.

With effect from the Call Option Exercise Date:

2. Officers Certificate

- (a) The Borrower shall deliver to the Lender, within 90 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Borrower and its Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Borrower and its Subsidiaries have kept, observed, performed and fulfilled their obligations under this Agreement, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge the Borrower and its Subsidiaries have kept, observed, performed and fulfilled each and every covenant contained in this Agreement and is not in default in the performance or observance of any of the terms, provisions and conditions of this Agreement (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the company is taking or proposes to take with respect thereto).

- (b) Within three Business Days of becoming aware of any Default or Event of Default, the Borrower shall deliver to the Lender written notice in the form of an Officers' Certificate specifying such Default or Event of Default.

3. **Taxes**

The Borrower shall pay, and shall cause each of its Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies, except such as are being contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Lender.

4. **Stay, Extension and Usury Laws**

The Borrower and each of its Subsidiaries covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Agreement; and the Borrower and each of its Subsidiaries (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Lender, but shall suffer and permit the execution of every such power as though no such law has been enacted.

5. **Corporate Existence**

The Borrower shall do or cause to be done all things necessary to preserve and keep in full force and effect (i) its corporate existence, and the corporate, partnership or other existence of each Restricted Subsidiary, in accordance with the respective organisational documents (as the same may be amended from time to time) of the Borrower or any such Restricted Subsidiary and (ii) the corporate rights (charter and statutory), licenses and franchises of the Borrower and the Restricted Subsidiaries; *provided, however*, that the Borrower shall not be required to preserve any such corporate right, licence or franchise, or the corporate, partnership or other existence of any Restricted Subsidiary, if the Board of Directors of the Borrower shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Borrower and the Restricted Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Lender, or that such preservation is not necessary in connection with any transaction not prohibited by this Agreement.

6. **Incurrence of Indebtedness**

- (a) The Borrower shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness; *provided, however*, that the Borrower or any Guarantor may Incur Indebtedness if the Borrower's Consolidated Leverage Ratio on such date would have been less than or equal to [intentionally left blank], determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been Incurred at the beginning of the applicable four-quarter period.
- (b) Paragraph (a) of this Section 6 shall not prohibit any of the following items of Indebtedness (collectively "**Permitted Debt**"):
 - (i) the Incurrence by the Borrower or any Guarantor of Indebtedness under Credit Facilities (including, without limitation, the Incurrence by the Borrower and the Guarantors of Guarantees thereof) in an aggregate amount at any one time outstanding pursuant to this clause (a) not to exceed [intentionally left blank], less the aggregate amount of all Disposals (as defined in this Agreement) applied by the Borrower or any Restricted Subsidiary thereof to permanently repay any such Indebtedness pursuant to Clause (*Mandatory Prepayment*) hereof; *provided, that*, the amount of Indebtedness under Credit Facilities permitted to be Incurred pursuant to this clause (a) shall not be less than [intentionally left blank] (or its equivalent in other currencies);
 - (ii) Existing Indebtedness;
 - (iii) The Incurrence by SGC and the guarantors of the Target Notes of Indebtedness represented by the Target Notes and the related Notes Guarantee;
 - (iv) the Incurrence by the Borrower or any Restricted Subsidiary of the Borrower of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in the business of the Borrower or such Restricted Subsidiary, in an aggregate amount, including all permitted Refinancing Indebtedness Incurred to refund, refinance or replace any Indebtedness Incurred pursuant to this clause (iv), not to exceed [intentionally left blank] (or its equivalent in other currencies), at any time outstanding;
 - (v) the Incurrence by the Borrower or any Restricted Subsidiary of the Borrower of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace Indebtedness (other than intercompany Indebtedness) that was permitted by this Agreement to be Incurred under this paragraph 6(a) or clauses (ii), (iii), (iv) (v) or (xiv) of this paragraph 6(b);

- (vi) the Incurrence by the Borrower or any of its Restricted Subsidiaries of intercompany Indebtedness owing to and held by the Borrower or its Restricted Subsidiaries; *provided, however*, that:
 - (A) if the Borrower or any Guarantor is the obligor on such Indebtedness, such Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all Obligations with respect to this Agreement;
 - (B) Indebtedness owed to the Borrower or any Guarantor must be evidenced by an unsubordinated promissory note, unless the obligor under such Indebtedness is the Borrower or a Guarantor; and
 - (C) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Borrower or a Restricted Subsidiary thereof and (b) any sale or other transfer of any such Indebtedness to a Person that is not either the Borrower or a Restricted Subsidiary thereof, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Borrower or such Restricted Subsidiary, as the case may be, that was not permitted by this paragraph 6(vi);
- (vii) the Guarantee by the Borrower or any of the Guarantors of Indebtedness of the Borrower or a Restricted Subsidiary of the Target that was permitted to be Incurred by another provision of this paragraph 6;
- (viii) the Incurrence by the Borrower or any of its Restricted Subsidiaries of Hedging Obligations that are Incurred for the purpose of fixing, hedging or swapping interest rate, commodity price or foreign currency exchange rate risk (or to reverse or amend any such agreements previously made for such purposes), and not for speculative purposes;
- (ix) the Incurrence by the Borrower or any of its Restricted Subsidiaries of Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or Guarantees or letters of credit, surety bonds or performance bonds securing any obligations of the Target or any of its Restricted Subsidiaries pursuant to such agreements, in any case Incurred in connection with the disposition of any business, assets or Restricted Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary thereof in connection with such disposition);
- (x) the Incurrence by the Borrower and any of its Subsidiaries or any of its Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, *provided, however*, that such Indebtedness is extinguished within five

Business Days of notice to the Borrower and any of its Subsidiaries from such bank or financial institution;

- (xi) the Incurrence by the Borrower and any of its Subsidiaries or any of its Restricted Subsidiaries of Indebtedness constituting letters of credit (or reimbursement obligations with respect thereto) issued in the ordinary course of business; **provided that**, upon the drawing of such letters of credit, such obligations are reimbursed within 30 days following such drawing;
 - (xii) the Incurrence by the Borrower of Indebtedness to the extent that the net proceeds thereof are promptly deposited to defease or to satisfy and discharge the Target Notes;
 - (xiii) obligations in respect of performance, bid, appeal or surety bonds and completion guarantees and similar obligations provided by the Borrower and any of its Subsidiaries or any of its Restricted Subsidiaries in the ordinary course of business; or
 - (xiv) the Incurrence by the Borrower and any of its Subsidiaries or any Restricted Subsidiary of additional Indebtedness in an aggregate amount at any time outstanding, including all Permitted Refinancing Indebtedness Incurred to refund, refinance or replace any Indebtedness Incurred pursuant to this clause (xiv), not to exceed [intentionally left blank] (or its equivalent in other currencies).
- (c) For purposes of determining compliance with this paragraph 6, in the event that any proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in paragraph 6(b)(i) through (xiii), or is entitled to be Incurred pursuant to paragraph 6(a), the Borrower shall be permitted to classify such item of Indebtedness at the time of its Incurrence in any manner that complies with this paragraph 6. In addition, any Indebtedness, or any portion thereof, originally classified as Incurred pursuant to paragraph 6 (b)(i) through (xiv) above may later be reclassified by the Borrower such that it shall be deemed as having been Incurred pursuant to another of such clauses or paragraph 6(a) to the extent that such reclassified Indebtedness could be incurred pursuant to such new clause or paragraph 6(a) at the time of such reclassification. Notwithstanding the foregoing, Indebtedness under the Credit Agreement outstanding on the Call Option Exercise Date shall be deemed to have been Incurred on such date in reliance on the exception provided by paragraph 6(b)(i).
- (d) For the purposes of determining compliance with any U.S. dollar-determined restriction on the Incurrence of Indebtedness or Liens securing Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, or, in the case of revolving credit debt, on the date first committed, **provided that** if such Indebtedness is Incurred to extend, replace, refund, refinance, renew or defease

other Indebtedness denominated in a foreign currency, and such extension, replacement, refunding, refinancing, renewal or defeasement would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such extension, replacement, refunding, refinancing, renewal or defeasement, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased. Notwithstanding any other provision of this paragraph 6, the maximum amount of Indebtedness that may be incurred pursuant to this paragraph 6 or of Indebtedness that may be secured by Liens under paragraph 8 hereof shall not be deemed to be exceeded with respect to any outstanding Indebtedness due solely to the results of fluctuations in the exchange rates of currencies.

- (e) The Borrower shall not incur any Indebtedness that is subordinate in right of payment to any other Indebtedness of the Borrower unless it is subordinate in right of payment to the Agreement to the same extent. The Target shall not permit any Guarantor to Incur any Indebtedness that is subordinate in right of payment to any other Indebtedness of such Guarantor unless it is subordinate in right of payment to such Guarantor's Note Guarantee to the same extent. For purposes of the foregoing, no Indebtedness shall be deemed to be subordinated in right of payment to any other Indebtedness of the Borrower or any Guarantor, as applicable, solely by reason of any Liens or Guarantees arising or created in respect thereof or by virtue of the fact that the holders of any secured Indebtedness have entered into intercreditor agreements giving one or more such holders priority over the other holders in the collateral held by them.

7. **Restricted Payments**

- (a) The Borrower shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly:
 - (i) declare or pay (without duplication) any dividend or make any other payment or distribution on account of the Borrower's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Target or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Borrower's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends, payments or distributions (x) payable in Equity Interests (other than Disqualified Stock) of the Borrower or (y) to the Borrower or a Restricted Subsidiary of the Borrower);
 - (ii) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Borrower or any of its Restricted Subsidiaries) any Equity

Interests of the Borrower or any Restricted Subsidiary thereof held by Persons other than the Borrower or any of its Restricted Subsidiaries;

- (iii) make any payments on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is subordinated to the Facilities (other than Indebtedness permitted under clause (vi) of paragraph 6(b), except (y) a payment of interest or principal at the Stated Maturity thereof or (z) the purchase, repurchase or other acquisition of any such Indebtedness in anticipation of satisfying a sinking fund obligation, principal instalment or final maturity, in each case due within one year of the date of such purchase, repurchase or other acquisition; or
- (iv) make any Restricted Investment (all such payments and other actions set forth in clauses (i) through (iii) above being collectively referred to as "**Restricted Payments**"),

unless, at the time of and after giving effect to such Restricted Payment:

- (A) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; and
 - (B) the Borrower would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to Incur at least US\$1.00 of additional Indebtedness pursuant to the Consolidated Leverage Ratio test set forth in paragraph 6(a) hereof; and
 - (C) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Borrower and its Restricted Subsidiaries after the date of issuance of the Target Notes (excluding Restricted Payments permitted by clauses (ii), (iii), (iv), (v), (vi), (viii), (x) and (xi) of paragraph 7(b)), is less than the sum, without duplication, of:
 - (1) [intentionally left blank] *plus*
 - (2) [intentionally left blank], *plus*
 - (3) [intentionally left blank].
- (b) The provisions of paragraph (a) of this paragraph 7 shall not prohibit, so long as, in the case of clauses (vii), (viii), (x) and (xi) below, no Default has occurred and is continuing or would be caused thereby:
- (i) the payment of any dividend or other distribution within 60 days after the date of declaration thereof, if at said date of declaration such payment would have complied with the provision of this Agreement;
 - (ii) the payment of any dividend or other distribution by a Restricted Subsidiary of the Target to the holders of its Capital Stock or the

repurchase or redemption by a Restricted Subsidiary of the Target of its Capital Stock so long as any such dividend, distribution, repurchase or redemption is on a *pro rata* basis;

- (iii) the redemption, repurchase, retirement, defeasement or other acquisition of any subordinated Indebtedness of the Borrower or any Guarantor or of any Equity Interests of the Borrower or any Restricted Subsidiary in exchange for, or out of the net cash proceeds of a contribution to the common equity of the Borrower or a substantially concurrent sale (other than a Subsidiary of the Borrower) of, Equity Interests (other than Disqualified Stock) of the Borrower, **provided that** the amount of any such net cash proceeds are utilized for any such redemption, repurchase, retirement, defeasement or other acquisition will be excluded from paragraph 7(a)(iv)(C)(2);
- (iv) the defeasement, redemption, repurchase or other acquisition of Indebtedness subordinated to the Note Guarantees with the net cash proceeds from an Incurrence of Permitted Refinancing Indebtedness;
- (v) Investments acquired as a capital contribution to, or in exchange for, or out of the net cash proceeds of a substantially concurrent sale (other than to a Subsidiary of the Borrower) of, Equity Interests (other than Disqualified Stock) of the Borrower, **provided that** the amount of any such net cash proceeds that are utilized for any such acquisition or exchange shall be excluded from paragraph 7(a) (iv)(C)(2);
- (vi) the repurchase of Capital Stock deemed to occur upon the exercise of options or warrants to the extent that such Capital Stock represents all or a portion of the exercise price thereof;
- (vii) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Borrower held by any current or former employee, consultant or director of the Borrower (or any of its Restricted Subsidiaries) pursuant to the terms of any employee equity subscription agreement, stock option agreement or plan or similar agreement or plan entered into in the ordinary course of business, **provided that** the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests in any calendar year will not exceed [intentionally left blank] (or its equivalent in other currencies) (with unused amounts in any calendar year being carried over to succeeding calendar years subject to a maximum of [intentionally left blank] (or its equivalent in other currencies) in any calendar year);
- (viii) dividends on Preferred Stock or Disqualified Stock issued in accordance with paragraph 6 hereof to the extent such dividends are included in the definition of Fixed Charges;

- (ix) the payment of cash in lieu of fractional Equity Interests in an aggregate amount not to exceed [intentionally left blank] (or its equivalent in other currencies);
 - (x) the dividend or distribution (and the declaration of such dividend or distribution) of a Restricted Investment consisting of shares or Capital Stock of, or Indebtedness owed to the Borrower or a Restricted Subsidiary by, any Unrestricted Subsidiary of the Borrower to the extent such Restricted Investment was included in the calculation of the amount of Restricted Payments; and
 - (xi) other Restricted Payments in an aggregate amount not to exceed [intentionally left blank] (or its equivalent in other currencies).
- (c) The amount of each Restricted Payment (in each case, other than cash) shall be the Fair Market Value of the date of the Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued to or by the Borrower or the relevant Subsidiary, as the case may be, pursuant to the Restricted Payment. Not later than the date of making any Restricted Payment which, together with any Restricted Payments not previously reported pursuant to this paragraph 7(c), exceeds [intentionally left blank] (or its equivalent in other currencies), the Borrower will deliver to the Lender an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this paragraph 7 were computed, together with a copy of any opinion or appraisal required by the Lender.

8. **Liens**

The Borrower shall not, and shall not permit any of its Restricted Subsidiaries to, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind (other than Permitted Liens) upon any of their property or assets, now owned or hereafter required, unless all payments due under this Agreement are secured on a subordinated basis with the obligations so secured (or, in the case of Indebtedness subordinated to the Agreement, prior or senior thereto, with the same relative priority as the Agreement shall have with respect to such subordinated Indebtedness) until such time as such obligations are no longer secured by a Lien.

9. **Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries**

- (a) The Borrower shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:
 - (i) pay dividends or make any other distributions on its Capital Stock (or with respect to any other interest or participation in, or measured by, its profits) to the Borrower or any of its Restricted Subsidiaries or pay any liabilities owed to the Borrower or any of its Restricted Subsidiaries;

- (ii) make loans or advances to the Borrower or any of its Restricted Subsidiaries; or
 - (iii) transfer any of its properties or assets to the Borrower or any of its Restricted Subsidiaries.
- (b) The restrictions set forth in paragraph (a) above shall not apply to encumbrances or restrictions;
 - (i) existing under, by reason of or with respect to the Credit Agreement, the Target Notes, Existing Indebtedness or any other agreements in effect on the Call Option Exercise Date and any amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacements or refinancings thereof, **provided that** the encumbrances and restrictions in any such amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacements or refinancings are no more restrictive, taken as a whole, than those contained in the Credit Agreement, the Target Notes, Existing Indebtedness or such other agreements, as the case may be, as in effect on the Call Option Exercise Date;
 - (ii) existing under, by reason of or with respect to applicable law, rule, order or regulation;
 - (iii) with respect to any Person or the property or assets of a Person acquired by the Borrower or any of its Restricted Subsidiaries existing at the time of such acquisition and not incurred in connection with or in contemplation of such acquisition, which encumbrance or restriction is not applicable to any Person or the properties or asset of any Person, other than the Person, or the property or assets of the Person, so acquired and any amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacements or refinancings thereof, **provided that** the encumbrances and restrictions in any such amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacements or refinancings are no more restrictive, taken as a whole, than those in effect on the date of the acquisition;
 - (iv) in the case of paragraph 9(a)(iii):
 - (A) that restrict in a customary manner the subletting, assignment or transfer of any property or asset that is a lease, license, conveyance or similar property or asset;
 - (B) existing by virtue of any transfer of, agreement to transfer, option or right with respect to, or Lien on, any property or assets of the Borrower or any Restricted Subsidiary thereof not otherwise prohibited by this Agreement; or
 - (C) arising or agreed to in the ordinary course of business, not relating to any Indebtedness, and that do not, individually or in the

aggregate, detract from the value of property or assets of the Borrower or any Restricted Subsidiary thereof in any manner material to the Borrower or any Restricted Subsidiary thereof;

- (v) existing under, by reason of or with respect to any agreement for the sale or other disposition of all or substantially all of the Capital Stock of, or property and assets of a Restricted Subsidiary that restrict distributions, loans or advances by that Restricted Subsidiary or transfers of such Capital Stock, property or assets pending such sale or other dispositions;
- (vi) restrictions on cash or other deposits or net worth imposed by customers or required by insurance, surety or bonding companies, in each case, under contracts entered into in the ordinary course of business;
- (vii) existing under customary provisions in joint venture and similar agreements entered into in the ordinary course of business; and
- (viii) existing under Credit Facilities entered into by Restricted Subsidiaries (other than Domestic Subsidiaries) in accordance with paragraph 7 hereof, **provided that** such encumbrances and restrictions are customary for the relevant financing and shall not affect the Borrower's ability to make interest and principal payments on the notes as determined in good faith by the Board of Directors of the Borrower.

10. **Transactions with Affiliates**

- (a) The Borrower shall not, and shall not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into, make, amend, renew or extend any transaction, contract, agreement, understanding, loan, advance or Guarantee with, or for the benefit of, any Affiliate (each, an "*Affiliate Transaction*"), unless:
 - (i) such Affiliate Transaction is on terms that are no less favourable to the Borrower or the relevant Restricted Subsidiary than those that would have been obtained in a comparable arm's-length transaction by the Target or such Restricted Subsidiary with a Person that is not an Affiliate of the Borrower or any of its Restricted Subsidiaries; and
 - (ii) the Borrower delivers to the Lender:
 - (1) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of [intentionally left blank] (or its equivalent in other currencies), a Board Resolution set forth in an Officers' Certificate certifying that such Affiliate Transaction or series of related Affiliate Transactions complies with paragraph 10(a)(i) and that such Affiliate Transaction or series of related Affiliate Transactions has been approved by a majority of the disinterested members of the Board of Directors of the Target; and

- (2) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of [intentionally left blank] (or its equivalent in other currencies), an opinion as to the fairness to the Borrower or such Restricted Subsidiary of such Affiliate Transaction or series of related Affiliate Transactions from a financial point of view issued by an independent accounting, appraisal or investment banking firm of national standing.
- (b) The following items shall be deemed not to constitute Affiliate Transactions and, therefore, shall not be subject to the provisions of paragraph (a) above:
 - (i) transactions between or among the Borrower and/or its Restricted Subsidiaries;
 - (ii) payment of reasonable and customary fees to, and reasonable and customary indemnification and similar payments on behalf of, directors of the Borrower;
 - (iii) Restricted Payments that are permitted by the provisions of paragraph 7 hereof;
 - (iv) any sale of Equity Interests (other than Disqualified Stock) of the Company;
 - (v) transactions pursuant to agreements or arrangements in effect on the Call Option Exercise Date, or any amendment, modification or supplement thereto or replacement thereof, as long as such agreement or arrangement, as so amended, modified, supplemented or replaced, taken as a whole, is not more disadvantageous to the Borrower and its Restricted Subsidiaries than the original agreement or arrangement in existence on the Completion Date;
 - (vi) any employment, consulting, service or termination agreement, or reasonable and customary indemnification arrangements, entered into by the Borrower or any of its Restricted Subsidiaries with officers and employees of the Borrower or any of its Restricted Subsidiaries and the payment of compensation to officers and employees of the Target or any of its Restricted Subsidiaries (including amounts paid pursuant to employee benefit plans, employee stock option or similar plans), so long as such agreement or payment has been approved by a majority of the disinterested members of the Board of Directors of the Borrower;
 - (vii) transactions with [intentionally left blank] and [intentionally left blank] on terms no less favourable than those that would have been obtained in a comparable arms' length transaction with a Person that is not an Affiliate of the Borrower, so long as such transaction has been approved by the Board of Directors of the Target;

- (viii) transactions with a Person that is an Affiliate of the Borrower, other than an Unrestricted Subsidiary, solely due to the fact that the Borrower owns, directly or through its Restricted Subsidiaries, Capital Stock in, or controls, such Person; and
- (ix) loans or advances to employees, officers or directors for travel and moving expenses in the ordinary course of business not to exceed [intentionally left blank] (or its equivalent in other currencies) in the aggregate at any one time outstanding.

11. **Sale and Leaseback Transactions**

The Borrower shall not, and shall not permit any of its Restricted Subsidiaries to, enter into any Sale and Leaseback Transaction, **provided that** the Target or any Restricted Subsidiary may enter into a Sale and Leaseback Transaction if:

- (a) the Borrower or such Restricted Subsidiary, as applicable, could have (i) Incurred Indebtedness in an amount equal to the Attributable Debt relating to such Sale and Leaseback Transaction pursuant to the provisions of paragraph 7 hereof and (ii) created a Lien to secure such Indebtedness pursuant to the provisions of paragraph 8 hereof;
- (b) the gross cash proceeds of that Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of that Sale and Leaseback Transaction; and
- (c) the transfer of assets in that Sale and Leaseback Transaction is permitted by, and the Borrower applies with proceeds of such transactions in compliance with, the provisions of Clause 8 (*Mandatory Prepayment*) hereof.

12. **Designation of Restricted and Unrestricted Subsidiaries**

- (a) The Board of Directors of the Borrower may designate any Restricted Subsidiary of the Borrower to be an Unrestricted Subsidiary; **provided that**:
 - (i) any Guarantee by the Borrower or any Restricted Subsidiary thereof of any Indebtedness of the Subsidiary being so designated shall be deemed to be an Incurrence of Indebtedness by the Borrower or such Restricted Subsidiary (or both, if applicable) at the time of such designation, and such Incurrence of Indebtedness would be permitted under paragraph 6 hereof;
 - (ii) the aggregate Fair Market Value of all outstanding Investments owned by the Borrower and its Restricted Subsidiaries in the Subsidiary being so designated (including any guarantee by the Borrower or any Restricted Subsidiary thereof of any Indebtedness of such Subsidiary) shall be deemed to be a Restricted Investment made as of the time of such designation and that such Investment would be permitted under Section paragraph 7 hereof;

- (iii) such Subsidiary does not hold any Liens on any property of the Borrower or any Restricted Subsidiary hereof:
 - (iv) the Subsidiary being so designated:
 - (1) is not party to any agreement, contract, arrangement or understanding with the Borrower or any Restricted Subsidiary of the Borrower unless the terms of any such agreement, contract, arrangement or understanding are no less favourable to the Borrower or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Borrower;
 - (2) is a Person with respect to which neither the Borrower nor any of its Restricted Subsidiaries has any direct or indirect obligation (i) to subscribe for additional Equity interests or (ii) to maintain or preserve such Persons' financial condition or to cause such Person to achieve any specified levels of operating results; and
 - (3) has not Guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Borrower or any of its Restricted Subsidiaries, except to the extent such Guarantee or credit support would be released upon such designation; and
 - (v) no Default or Event of Default would be in existence following such designation.
- (b) Any designation of a Restricted Subsidiary of the Borrower as an Unrestricted Subsidiary shall be evidenced to the Lender by filing with the Lender the Board Resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the provisions of paragraph (a) of this Section 4.16 and was permitted by this Agreement. If, at any time, any Unrestricted Subsidiary would fail to meet any of the requirements described in subclauses (1), (2) or (3) of paragraph 12(iv), it shall thereafter cease to be an Unrestricted Subsidiary, and any Indebtedness, Investments, or Liens on the property, of such Subsidiary shall be deemed to be incurred or made by a Restricted Subsidiary of the Borrower as of such date and, if such Indebtedness, Investments or Liens are not permitted to be incurred or made as of such date under this Agreement, the Borrower shall be in default under this Agreement.
- (c) The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary, **provided that:**
- (i) such designation shall be deemed to be an Incurrence of Indebtedness by a Restricted Subsidiary of the Borrower of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation shall only be permitted if such Indebtedness is permitted under the provisions of paragraph 6 hereof:

- (ii) all outstanding Investments owned by such Unrestricted Subsidiary shall be deemed to be made as of the time of such designation and such designation shall only be permitted if such Investments would be permitted under the provisions of paragraph 7 hereof; **provided that** such outstanding Investments shall be valued at the lesser of (a) the Fair Market Value of such Investments measured on the date of such designation and (b) the Fair Market Value of such Investments measured at the time each such Investment was made by such Unrestricted Subsidiary;
- (iii) all Liens upon property or assets of such Unrestricted Subsidiary existing at the time of such designation would be permitted under the provisions of paragraph 8 hereof; and
- (iv) no Default or Event of Default would be in existence following such designation.

13. **Business Activity**

Neither the Borrower nor the Target shall, and shall not permit any Restricted Subsidiary to, engage in any business other than the Permitted Business, except to such extent as would not be material to the Borrower and its Restricted Subsidiaries taken as a whole.

14. **Additional Security on Call Option Exercise Date**

14.1 Subject to [intentionally left blank].

14.2 [intentionally left blank].

15. **Conditions Subsequent**

Each Obligor must, and must procure that any other member of the Group that is a potential provider of Transaction Security uses, all reasonable endeavours lawfully available to avoid or mitigate the constraints on the provisions of Security provided for in the Agreed Security Principles.

SCHEDULE 12
EVENTS OF DEFAULT

1. **Definitions**

1.1 Unless a contrary indication appears, a term defined in Schedule 11 shall have the same meaning in this Schedule.

1.2 The principles of construction set out in Schedule 11 shall have the same effect in this Schedule.

2. **Defaults and Remedies**

2.1 **Events of Default**

Each of the following is an "**Event of Default**":

- (a) default for 30 days in the payment when due of interest on any amount due under this Agreement;
- (b) default in payment when due (whether at maturity or upon acceleration or otherwise) of the principal due under this Agreement;
- (c) failure by an Obligor, the Target or any of its Restricted Subsidiaries to comply with the provisions of Clause 8 (*Mandatory Prepayment*) hereof;
- (d) failure by the an Obligor, Target or any Restricted Subsidiary for 60 days after written notice thereof has been given to such Obligor or the Target by the Lender to comply with any of its other obligations in this Agreement;
- (e) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness by an Obligor, the Target or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by such Obligor or the Target or any Restricted Subsidiary) whether such Indebtedness or Guarantee now exists, or is created after the Call Option Exercise Date, if that default:
 - (i) is caused by a failure to make any payment when due at the final maturity of such Indebtedness (a "**Payment Default**"); or
 - (ii) results in the acceleration of such indebtedness prior to its express maturity,

and, in each case, the amount of any such Indebtedness, together with the amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates [intentionally left blank] or more (or its equivalent in other currencies);

- (f) failure by an Obligor, the Target or any of its Restricted Subsidiaries to pay final judgments (to the extent such judgments are not paid or covered by insurance provided by a reputable carrier that has the ability to perform and has acknowledged coverage in writing) aggregating in excess of [intentionally left

blank] (or its equivalent in other currencies), which judgments are not paid, discharged or stayed for a period of 60 days;

- (g) the Obligors, the Target, any Guarantor or any of the Target's Significant Subsidiaries or any group of Restricted Subsidiaries that, when taken together, would constitute a Significant Subsidiary, pursuant to or within the meaning of any Bankruptcy Law:
 - (i) commences a voluntary case or gives notice of intention to make a proposal under any Bankruptcy Law;
 - (ii) consents to the entry of an order for relief against it in an involuntary case or consents to its dissolution or winding up;
 - (iii) consents to the appointment of a receiver, interim receiver, receiver and manager, liquidator, trustee or custodian of it or for all or substantially all of its property;
 - (iv) makes a general assignment for the benefit of its creditors;
 - (v) admits in writing its inability to pay its debts as they become due or otherwise admits its insolvency; or
 - (vi) seeks a stay of proceedings against it or proposes or gives notice or intention to propose a compromise, arrangement or reorganisation of any of its debts or obligations under any Bankruptcy Law; and
- (h) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:
 - (i) is for relief against the Obligors, the Target or any of its Significant Subsidiaries or any group of Restricted Subsidiaries that, when taken together, would constitute a Significant Subsidiary, in an involuntary case; or
 - (ii) appoints a receiver, interim receiver, receiver and manager, liquidator, trustee or custodian of the Obligors, the Target or any of its Significant Subsidiaries or any group of Restricted Subsidiaries that, when taken together, would constitute a Significant Subsidiary, or for all or substantially all of the property of the Obligors, the Target or any of its Significant Subsidiaries or any group of Restricted Subsidiaries that, when taken together, would constitute a Significant Subsidiary;
 - (iii) orders the liquidation of the Obligors, the Target or any of its Significant Subsidiaries or any group of Restricted Subsidiaries that, when taken together, would constitute a Significant Subsidiary; or
 - (iv) orders the presentation of any plan or arrangement, compromise or reorganisation of the Obligors, the Target or any of its Significant Subsidiaries or any group of Restricted Subsidiaries that, when taken together, would constitute a Significant Subsidiary;

and such order or decree remains unstayed and in effect for 60 consecutive days.

SCHEDULE 13
COMPLIANCE CERTIFICATE

[Date]

Inmarsat Finance III Limited

Attention: Simon Ailes

Dear Sirs:

The undersigned, CIP UK Holdings Limited (the "**Borrower**"), refers to the Facilities Agreement dated 11 June 2007 (as may be amended, restated, replaced or supplemented from time to time, the "**Facilities**", the terms defined therein being used herein as therein defined) between, amongst others the Borrower and Inmarsat Finance III Limited as Lenders. The **[quarterly/annual]** Compliance Certificate is delivered pursuant to Schedule 10 of the Facilities Agreement for **[Financial Year/Quarter]** ending on [**•**] (the "**Period**").

I, _____, the Chief Financial Officer/Treasurer/Controller/Vice President, Finance of the Borrower, in such capacity and not personally, hereby certify that:

1. I am the duly appointed Chief Financial Officer of the Borrower and as such I am providing this certificate for and on behalf of the Borrower pursuant to the Facilities Agreement.
2. I am familiar with and have examined the provisions of the Facilities Agreement.
3. To the best of my knowledge, information and belief, and after due inquiry, no Default or Event of Default has occurred and is continuing as at the date hereof.
4. Without limiting the generality of paragraph 3 above, the Borrower and each of its Subsidiaries was as of the end of the Period and is on the date of this Compliance Certificate in compliance with all applicable Environmental Laws, except where non-compliance would not have, individually or in the aggregate, a Material Adverse Effect.
5. The financial statements delivered pursuant to Schedule 10 have been prepared in accordance with GAAP in effect on the date of such financial statements. The information contained therein is true and correct in all material respects, subject only to year end audit adjustments, and presents fairly and consistently the results of operations and changes in the financial position of the Company as of and to the date thereof.
6. The representation and warranties contained in Schedule 9 are true and correct, in all material respects, as though made on the date hereof (other than those which relate solely to a prior time).
7. As at the last day of the Period the following ratios or calculations (in each case, calculated in accordance with the Facilities Agreement), as the case may be, were as follows:

- (a) Consolidated EBITDA to Cash Interest Expense: _____
- (b) Consolidated Debt to Consolidated EBITDA: _____
- (c) Consolidated Senior Secured Debt to Consolidated EBITDA: _____
- (d) Fixed Charge Ratio _____

Dated this _____ day of _____, _____.

(Signature)

(Name - please print)
Chief Financial Officer

SCHEDULE 14
PERMITTED LIENS

As of the date hereof, the Permitted Liens of SGC and each Subsidiary are as follows:

- (a) Pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;
- (b) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;
- (c) any Lien existing on any property or asset prior to the acquisition thereof by SGC or any of the Subsidiaries (other than Xantic and its Subsidiaries) or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof (other than Xantic and its Subsidiaries) prior to the time such Person becomes a Subsidiary; **provided that** (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, (ii) such Lien shall not apply to any other property or assets of SGC or any of its Subsidiaries, and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary; and
- (d) the registrations listed on the attached Annex "A";

provided that the Permitted Liens described above in this Schedule 14 shall not include any Lien securing Indebtedness except Liens permitted by paragraphs (c) and (d) above.

ANNEX "A"
PERMITTED CANADIAN REGISTRATIONS

ONTARIO (current to January 26, 2006)

Debtor	File Number	Registration Number	Collateral/ Document Description	Secured Party	Reg. Period
1. Stratos Mobile Network Inc	865484352	20000907 1334 6005 1631	Equipment	National Leasing Group Inc	6 years

NEWFOUNDLAND AND LABRADOR (current to January 26, 2006)

Debtor	File Number	Registration Number	Collateral/ Document Description	Secured Party	Reg. Period
2. Stratos Global Corporation	December 30, 2002	(i) 2322196	Serial Numbered Collateral: [1 motor vehicle]	Jaguar Credit Canada, a div. of Primus Automotive Financial Services Canada Inc.	3 years
	December 16, 2004	(ii) 3849722	Discharge		
	December 16, 2004	(iii) 3850112	Re-registration		

Debtor	File Number	Registration Number	Collateral/ Document Description	Secured Party	Reg. Period
3. Stratos Global Corporation	March 13, 2003	(i) 2470150	All goods supplied before or hereafter by the Secured Party, all parts and accessories thereto and accession thereto and all replacements or substitutions for such goods. Proceeds: accounts, chattel paper, money, intangibles, goods, documents of title, instruments, securities (all as defined in the <i>Personal Property Security Act (NFLD)</i> and insurance proceeds	Minolta Business Equipment (Canada), Ltd	5 years
	December 16, 2004	(ii) 3849795	Discharge		
	December 16, 2004	(iii) 3850069	Re-registration		

Debtor	File Number	Registration Number	Collateral/ Document Description	Secured Party	Reg. Period
4. Stratos Global Corporation	January 28, 2004	(i) 3160661	All goods supplied before or hereafter by the Secured Party, all parts and accessories thereto and accession thereto and all replacements or substitutions for such goods. Proceeds: accounts, chattel paper, money, intangibles, goods, documents of title, instruments, securities (all as defined in the <i>Personal Property Security Act</i> (NL)) and insurance proceeds	Solutions D'Affaires Konica Minolta, (Canada) Ltee -and- Konica Minolta Business Solutions (Canada) Ltd.	6 years
	December 16, 2004	(ii) 3849768	Discharge		
	December 16, 2004	(iii) 3850087	Re-registration		
5. Stratos Global Corporation	April 30, 2004	3346775	Serial Numbered Collateral: [1 motor vehicle]	Nissan Canada Finance Inc.	4 years

Debtor	File Number	Registration Number	Collateral/ Document Description	Secured Party	Reg. Period
6. Stratos Global Corporation	April 30, 2004	3371130	<p>Serial Numbered Collateral:</p> <p>[1 motor vehicle listed]</p> <p>All attachments, accessories, additions, alterations, replacements & repairs (whether present or future) to the vehicle collateral.</p> <p>Proceeds : all cash and non cash proceeds of the vehicle collateral including without limitation proceeds derived directly or indirectly from any dealing with any vehicle collateral or that indemnifies or compensates the Debtor(s) for the destruction or damage to or loss of the vehicle collateral. The proceeds may take the form of any one or more of the following: goods, documents of titles, chattel</p>	DaimlerChrysler Services Canada Inc. - and - Mercedes- Benz Credit Canada	

Debtor	File Number	Registration Number	Collateral/ Document Description	Secured Party	Reg. Period
			paper, instruments, money securities or intangibles. Accordingly, any of the Debtor(s) after - acquired personal property may be proceeds and therefore subject to the Secured Party's security interest.		
7. Stratos Mobile Networks Inc.	April 5, 2001	884569	All present and after-acquired Xerox equipment and goods	Xerox Canada Limited	5 years

SCHEDULE 15
RESTRICTED SUBSIDIARIES

1. Plenexis Holding Germany GmbH
2. Plenexis Kft
3. Plenexis Satelit Iletisim Hizmetlerl Limited Sirketi
4. Plenexis Satelite-communication AB
5. Plenexis Ltd.
6. Plenexis Gesellschaft fur Satelliten-kommunikation mbH
7. Plenexis CIS GmbH

SIGNATURES

THE BORROWER

CIP UK HOLDING LIMITED

By: JOHANNES JACOBUS LIPMAN
Address: KIRKLAND & ELLIS INTERNATIONAL LLP, 30 ST MARY AXE,
LONDON EC3A 8AF
Fax: +44 (0)20 7469 2001
Attention: LING TAI / LAURA CARLEY

THE GUARANTOR

CIP CANADA INVESTMENT INC

By: JOHANNES JACOBUS LIPMAN
Address: KIRKLAND & ELLIS INTERNATIONAL LLP, 30 ST MARY AXE,
LONDON EC3A 8AF
Fax: +44 (0)20 7469 2001
Attention: LING TAI / LAURA CARLEY

THE LENDER

INMARSAT FINANCE III LIMITED

By: ANDREW SUKAWATY
Address: 99 CITY ROAD, LONDON, EC1Y 1AX
Fax: +44 (0)20 7728 1602

Execution Copy

COMMUNICATIONS INVESTMENT PARTNERS LIMITED

as Grantor

- and -

INMARSAT FINANCE III LIMITED

as Grantee

CALL OPTION AGREEMENT

KIRKLAND & ELLIS INTERNATIONAL LLP

30 St Mary Axe
London EC3A 8AF
Tel: +44 (0)20 7469 2000
Fax: +44 (0)20 7469 2001
www.kirkland.com

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THIS AGREEMENT is made on 19 March 2007.

BETWEEN:

- (1) **COMMUNICATIONS INVESTMENT PARTNERS LIMITED** (Company No 1063681), registered in the British Virgin Islands, whose registered office is at c/o Harneys Corporate Services Limited, Craigmuir Chambers, PO Box 71, Road Town, Tortola, BVI (the "Grantor"); and
- (2) **INMARSAT FINANCE III LIMITED** (Company No 06138307), incorporated in England and Wales, whose registered office is at 99 City Road, EC1Y 1AX (the "Grantee").

WHEREAS:

- (A) The Grantor is the sole legal and beneficial owner and holder of the entire issued share capital of Holdco.
- (B) The Grantor has agreed to grant a call option to the Grantee under which the Grantee may, subject to and in accordance with the provisions of this Agreement, purchase and have transferred to it the entire issued and to be issued shares and other securities of Holdco, and any rights over, or relating to shares, securities or other ownership interests in Holdco (if any) from time to time (together, the "Shares").

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement, the following words and expressions shall have the following meanings, unless the context otherwise requires:

"**Acquisition**" means the acquisition of all or substantially all of the issued share capital of Stratos by Bidco in accordance with the provisions of the Arrangement Agreement;

"**Arrangement Agreement**" means the arrangement agreement of even date herewith entered into between, *inter alia*, Bidco and Stratos and relating to the Acquisition;

"**Base Fee**" means an amount in US Dollars equal to $A \times B$, where "A" is and "B" is a whole number equal to the number of consecutive one month periods (any fractions thereof rounded up) elapsed between (i) the date hereof, and (ii) the Exercise Date, provided that, the Base Fee shall not, in any event, exceed US\$

"**Bidco**" means CIP Canada Investment Inc., a corporation established under the laws of the province of New Brunswick, Canada, with corporation number 630581;

"**Bidco Shares**" means the entire issued share capital of Bidco, from time to time;

"**Business Day**" means any day, other than a Saturday or Sunday or national bank holiday, in which banks are normally open for the transaction of business in London, UK;

“**Call Option**” has the meaning given to such term in Clause 2;

“**Call Option Consideration**” has the meaning given to such term in Clause 2;

“**CIP Loan Facility**” means the commitment letter and attached term sheet of even date herewith from the Grantee to Holdco, and any loan facility agreement (as such agreement may be amended or restated from time to time) entered into between Holdco and the Grantee subsequent to such commitment letter;

“**Completion**” means the completion of the transfer of the Shares pursuant to the exercise of the Call Option in accordance with the terms of this Agreement;

“**Completion Date**” means the date on which Completion occurs;

“**Completion Conditions**” means the conditions to Completion, as set out in Clause 6.1;

“**Distribution Agreements**” means the following agreements, whether entered into prior to, or after the date of this Agreement:

- (i) the LESO Agreements;
- (ii) the commercial framework agreements entered into between, inter alia, Inmarsat Global Limited, Inmarsat Ventures Limited and Inmarsat’s various distribution partners for Inmarsat services, respectively;
- (iii) the service distribution agreements entered into between, inter alia, Inmarsat Global Limited and Inmarsat’s various distribution partners for Inmarsat services, respectively including, without limitation, Inmarsat’s Regional Broadband Global Area Network (“**RBGAN**”), Broadband Global Area Network (“**BGAN**”), Swift Broadband, Fleet Broadband and Voice services;
- (iv) the lease services provider agreements entered into between, inter alia, Inmarsat Global Limited and Inmarsat’s various lease services providers, respectively;

and all related documents and agreements relating thereto or entered into in connection therewith;

“**Exercise Date**” has the meaning given to such term in Clause 3.1;

“**Exercise Notice**” has the meaning given to such term in Clause 3.1;

“**Final Maturity Date**” means 31 December 2010 or such other date as the parties hereto may agree in writing from time to time;

“**Group**” means in relation to any party hereto, its group companies, including any holding company, subsidiaries or subsidiary undertakings and the subsidiaries or subsidiary undertakings of the ultimate holding company of such group (and the terms ‘holding company’, ‘subsidiary undertaking’ and ‘subsidiary’ shall bear the same respective meanings as set out in the Companies Act 1985 (as may be amended or restated from time to time));

of the Acquisition, *inter alia*, to transfer the legal title of the Stratos Shares from Bidco to the Trustee.

- 1.2 Headings and sub-headings are for ease of reference only and shall not affect the construction of this Agreement.
- 1.3 Any reference in this Agreement to a Clause is, unless otherwise stated, to a clause hereof.
- 1.4 Any reference in this Agreement to the Grantee or the Grantor (as relevant) shall include their successors and assigns from time to time.

2. GRANT OF OPTION

- 2.1 Conditional upon completion of the Acquisition, and forthwith upon the Grantee paying to the Grantor the sum of US\$ 750,000 in accordance with clause 2.2 (the “**Call Option Consideration**”), the Grantor shall irrevocably and unconditionally grant to the Grantee the option (the “**Call Option**”) to purchase from the Grantor and have transferred to the Grantee, for its own account, the Shares, upon the terms and subject to the conditions set out in this Agreement.
- 2.2 The Grantee will pay the Call Option Consideration to the Grantor on the date of completion of the Acquisition in freely transferable funds into such US Dollar bank account in London or New York as the Grantor may specify for this purpose no less than five Business Days before (and excluding) the date of completion of the Acquisition.

3. EXERCISE OF OPTION

- 3.1 Subject to Clauses 3.3 and 3.4, the Grantee shall be entitled to exercise the Call Option by delivery of notice in writing (the “**Exercise Notice**”) to the Grantor at any time following the earlier of:
 - 3.1.1 14 April 2009; and
 - 3.1.2 such date as all provisions in all of the Distribution Agreements restricting or prohibiting the exercise and completion of the Call Option in accordance with the terms of this Agreement by the Grantee shall have been waived, terminated, or shall otherwise have expired or become inapplicable or ineffective;

and the Call Option shall be deemed to have been exercised on and as of the date of receipt of the Exercise Notice (such date, the “**Exercise Date**”).

- 3.2 For the purposes of determining the satisfaction of the exercise condition set out in paragraph 3.1.2 above, the parties may agree the same from time to time or in the absence of such agreement the Grantee shall deliver to the Grantor a legal opinion from its external legal counsel Clifford Chance LLP (or other leading international English law firm) confirming that the conditions stipulated in paragraph 3.1.2 have been satisfied.

3.3 The Call Option shall expire and shall no longer be capable of exercise at and as of 5:00 pm (GMT) on the Final Maturity Date. Any Exercise Notice received after that time shall not be accepted by the Grantor and shall not constitute a valid exercise of the Call Option hereunder.

3.4 Completion of the acquisition of the Shares by the Grantee pursuant to the Call Option shall at all times be conditional upon the satisfaction of the Completion Conditions.

4. SALE AND PURCHASE OF THE SHARES

4.1 Completion shall take place within five Business Days following the satisfaction of all Completion Conditions, at a time and place in London stipulated by notice in writing by the Grantee to the Grantor.

4.2 At Completion, the Grantor will sell and transfer, or procure the sale and transfer of, and the Grantee will purchase, or procure the purchase of, all legal and beneficial rights and title in and to the Shares and each right attaching to such Shares at or after Completion, free from any Third-party Rights and with full title guarantee.

5. CONSIDERATION

5.1 The aggregate purchase price for the sale and purchase of the Shares pursuant to the exercise of the Call Option shall be the Share Purchase Price.

5.2 In consideration for the delivery by the Grantor to the Grantee of:

5.2.1 duly executed transfers in respect of the Shares; and

5.2.2 the share certificates (or an indemnity in respect of a lost certificate in a form reasonably acceptable to the Grantee) relating to the Shares,

the Grantee shall pay at Completion, the Share Purchase Price, in immediately available and freely transferable funds (or if the parties hereto agree, by way of set-off of other debts owing between the parties) to the Grantor into such US Dollar bank account in London or New York as the Grantor may specify for this purpose no less than five Business Days before (and excluding) the Completion Date.

6. COMPLETION CONDITIONS

6.1 Subject to clause 6.2, the obligations of the parties hereto to effect Completion shall be subject to the satisfaction of, or waiver in writing by the Grantee notified to the Grantor, on or prior to the Completion Date, of each of the following conditions (as the case may be):

6.1.1 receipt of all relevant clearances, required or reasonably desirable in the discretion of the Grantee acting reasonably, or expiry or early termination of the prescribed waiting times under any applicable and material competition or foreign investment legislation, including without limitation, the Competition Act (Canada), Investment Canada Act and Hart-Scott-Rodino Antitrust Improvements Act of 1976 (all as amended or restated from time to time);

- 6.1.2 receipt of all necessary consents, authorisations and approvals of any court, government department or other regulatory body (if any) required in order to execute, perform and give effect to the transactions contemplated by this Agreement, including without limitation, the U.S. Federal Communications Commission and the Canadian Radio-television and Telecommunications Commission;
 - 6.1.3 the execution and delivery of this Agreement and the undertaking and performance of the obligations expressed to be assumed by any party hereto not conflicting with, or resulting in a breach of or default under, any law or regulation or judicial or official order, the constitutional documents or any agreement or instrument (including without limitation, any Distribution Agreement or the CIP Loan Facility), to which any of the parties hereto is a party or by which it is bound;
 - 6.1.4 the completion of the Share Transfer and the termination of the Trust; and
 - 6.1.5 there occurring no un-remedied material breach of this Agreement or the CIP Loan Facility prior to Completion.
- 6.2 The Grantee shall be entitled unilaterally and in its absolute discretion to waive each of the Completion Conditions set out in clause 6.1, if and only to the extent that, such waiver does not result in:
- 6.2.1 any violation or breach of or default under, any law or regulation or judicial or official order or the constitutional documents by which the Grantor is bound; or
 - 6.2.2 the Grantor incurring any penalties, costs, charges or other liabilities (including, without limitation, those relating to any court, government department or other regulatory body), which are not adequately reimbursed or indemnified by the Grantee.
- 6.3 The parties hereto undertake to use their respective reasonable best efforts to procure the fulfillment of the Completion Conditions as soon as reasonably practicable. Notwithstanding the foregoing and subject always to the exercise of the Call Option by the Grantee on or prior to the Final Maturity Date, the parties hereby agree that, if all of the Completion Conditions shall not have been satisfied (or waived) on or prior to 9.00 am (GMT) on the date which falls one year after the Final Maturity Date, this Agreement shall terminate with effect from 9.01 am (GMT) on that date and the obligations of the parties shall thereupon automatically terminate therewith.
- 6.4 Notwithstanding any other provision of this Agreement, if, *Redacted*
- 6.4.1 *Redacted*
- 6.4.2 *Redacted*

, then the provisions of this Agreement shall automatically terminate forthwith and neither party shall have any ongoing rights or obligations hereunder (including, without limitation, the grant of the Call Option under clause 2), save that

7. REPRESENTATIONS

7.1 The Grantor hereby represents, warrants and covenants to the Grantee that:

7.1.1 [Redacted]

7.1.2 [Redacted]

7.1.3 [Redacted]

7.1.4 it has entered into this Agreement and the transactions contemplated hereby (a) in good faith, (b) for the purpose of carrying on its business and (c) for its own benefit;

7.2 The Grantor hereby represents, warrants and covenants to the Grantee (with respect to itself), [Redacted]

7.2.1 [Redacted]

7.2.2 [Redacted]

7.2.3 [Redacted]

7.2.4 [Redacted]

7.2.5 [Redacted]

7.3 [Redacted]

7.3.1 [Redacted]

7.4 [Redacted]

7.4.1 [Redacted]

7.4.2 [Redacted]

7.4.3 [Redacted]

7.4.4 [Redacted]

7.4.5 [Redacted]

7.5 [Redacted]

7.6 Each party hereto represents to the other that:

7.6.1 it is duly incorporated under the laws of its jurisdiction of incorporation and (a) has full power and capacity to execute and deliver this Agreement and to undertake and to perform the obligations expressed to be assumed by it herein and (b) has taken all necessary action to approve and to authorise the same;

7.6.2 upon due execution and delivery of this Agreement by each of the parties hereto, this Agreement will constitute its legal, valid, binding and enforceable obligations (subject to limitations on enforceability which apply under any applicable laws); and

7.6.3 it will comply in all material respects with all applicable securities laws and orders to which it may be subject, if failure to so comply would materially impair its ability to perform its obligations under this Agreement.

7.7 The Grantee hereby represents, warrants and covenants to the Grantor that neither the Grantee nor any of its officers, directors, employees, shareholders or affiliates shall communicate with the Trustee regarding the operations or the management of Stratos.

8. REGULATORY CLEARANCES

8.1 In the event that either party intends to seek the regulatory approvals required (or reasonably desirable in the discretion of the Grantee acting reasonably), to transfer the Shares or the Stratos Shares, as applicable, in advance of the delivery of an Exercise Notice, such party shall, prior to taking any steps to obtain such approval, notify the other party in writing of its intention to do so.

8.2 If the Grantor provides notice (the "Grantor Notice") to the Grantee that it intends to seek regulatory approval for the transfer of the Stratos Shares to Bidco prior to the delivery by the Grantee of an Exercise Notice, the Grantee shall notify the Grantor within 10 Business Days of receipt of the Grantor Notice if the Grantee desires to seek regulatory approval in relation to the completion of the Call Option (a "Grantee Notice").

- 8.3 If the Grantee delivers a Grantee Notice to the Grantor within such 10 Business Day period, the Grantor shall cooperate with the Grantee with respect to seeking regulatory approvals for the transfer of the Shares or the Stratos Shares, as applicable, and shall assist the Grantee in its efforts to expeditiously obtain the regulatory approvals necessary for Completion.

9. **FURTHER ASSURANCE**

Each of the parties hereto shall sign all such documents and do all such other acts and things as any of the other parties hereto may reasonably require in order to give effect to this Agreement.

10. **INVALIDITY**

If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair:

10.1.1 the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or

10.1.2 the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Agreement.

11. **TIME OF ESSENCE**

Time shall be of the essence in respect of each provision of this Agreement.

12. **NO WITHHOLDING**

All payments by the Grantee under this Agreement will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature, unless such withholding or deduction is required by law. In such event, and if the Grantee assigns any of its rights or benefits under this Agreement to any person or entity pursuant to clause 14.2 which is not resident or domiciled in the United Kingdom, then the Grantee agrees to pay such additional amounts as shall be necessary in order that the net amounts received by the Grantor after such withholding or deduction shall equal the amounts which would have been receivable in the absence of such assignment.

13. **COSTS**

- 13.1 The Grantee will pay all present and future stamp, documentary and other like duties and taxes, if any, to which this Agreement and any transfer of the Shares pursuant to this Agreement may be subject or give rise and shall indemnify the Grantor against any and all liabilities with respect to or resulting from any delay or omission on the part of the Grantee to pay any such duties or taxes and this indemnity may, without limiting the Grantor's rights, be claimed as a debt or liquidated demand.

- 13.2 Save as is provided in Clause 13.1, each party hereto shall pay its own costs in connection with the preparation, negotiation and implementation of this Agreement.

14. ASSIGNMENT

- 14.1 Subject to Clause 14.2, no party hereto may assign all or any part of its rights or benefits under this Agreement, without the prior written consent of the other party.
- 14.2 Notwithstanding the provisions of Clause 14.1, the Grantee may assign any of its rights or benefits under this Agreement to any person without the prior written consent of the Grantor, provided that prior written notice is provided by the Grantee to the Grantor in respect of any such assignment and in respect of any subsequent assignment by any assignee, save that, until such time as the Call Option becomes exercisable in accordance with clause 3.1, the Grantee shall not be entitled to assign any of its rights and benefits under this Agreement to Inmarsat Global Limited and/or Inmarsat Ventures Limited and/or any entities controlled by Inmarsat Global Limited and/or Inmarsat Ventures Limited.

15. AMENDMENT

No amendment or purported amendment of this Agreement shall be effective unless it is in writing and is duly executed by each party hereto.

16. REMEDIES AND WAIVERS

- 16.1 No delay or omission on the part of any party to this Agreement in exercising any right, power or remedy provided by law or under this Agreement shall:
- 16.1.1 impair such right, power or remedy; or
- 16.1.2 operate as a waiver thereof.
- 16.2 The exercise of any right, power or remedy provided by law or under this Agreement shall not preclude any other or further exercise thereof or the exercise of any other right, power or remedy.
- 16.3 The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law.

17. NOTICES

- 17.1 All notices, for all purposes under this Agreement, whether in respect of court process, notices or other documents or communications of whatsoever nature shall be delivered in the manner set out below to the following addresses:

The Grantor:

c/o Harneys Corporate Services Limited,
Craigmuir Chambers,
PO Box 71, Road Town,
Tortola,
BVI

Attention: Hans Lipman

Tel: +1284 494 2233
Fax: +1284 494 3547

With a copy (which shall not constitute notice) to:

Kirkland & Ellis LLP
30 St Mary Axe, London EC3A 8AF

Attention: Matthew Hurlock
Tel: +44 207 469 2000
Fax: +44 207 469 2001

The Grantee:

Inmarsat Finance III Limited
99 City Road
London EC1Y 1AX

Attention: Nick Rowe, General Counsel
Tel: +44 207 728 1390
Fax: +44 207 728 1602

With a copy (which shall not constitute notice) to:

Inmarsat plc
99 City Road
London EC1Y 1AX

Attention: Alison Horrocks, Company Secretary
Tel: +44 207 728 1626
Fax: +44 207 728 1602

- 17.2 Any notice or communication required or permitted to be given in terms of this Agreement shall be valid and effective only if in writing but the parties hereto may give notice by telefax.
- 17.3 Either party may by notice to the other party change the address specified in this Clause 17 to another address or its telefax number, provided that the change shall become effective on the tenth (10th) Business Day from the deemed receipt of the notice by the other party.
- 17.4 Any notice to a party:
- 17.4.1 sent by courier in a correctly addressed envelope to it at its chosen address shall be deemed to have been received on the second Business Day after sending (unless the contrary is proved);
- 17.4.2 delivered by hand during ordinary business hours at the physical address shown above shall be deemed to have been received on the day of delivery; or

17.4.3 sent by telefax to its chosen telefax number stipulated in Clause 17.1, shall be deemed to have been received on the date of dispatch (provided that the sender has evidence of confirmed answerback and unless the contrary is proved).

17.5 Notwithstanding anything to the contrary, contained herein, a written notice or communication actually received by a party to this Agreement shall be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at the address specified above.

18. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts each of which when executed and delivered is an original, but all the counterparts together constitute the same document.

19. **THIRD PARTY RIGHTS**

No person who is not a party to this Agreement shall have any right to enforce any term of this Agreement under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

20. **LAW AND JURISDICTION**

20.1 This Agreement is governed by, and shall be construed in accordance with, English Law.

20.2 Each of the parties hereto hereby irrevocably agrees that the courts of England are to have exclusive jurisdiction to settle any disputes:

20.2.1 arising under or in connection with this Agreement; or

20.2.2 arising or in connection with the negotiation, legal validity or legal enforceability of this Agreement,

whether the same shall or shall be alleged to arise under, or be governed by, the law of England or the law of some other country.

20.3 Each of the Grantor and the Grantee submits irrevocably to the jurisdiction of the English courts. Without prejudice to any other mode of service, the Grantor:

20.3.1 irrevocably appoints CIP UK Holdings Limited, c/o Kirkland & Ellis International LLP, 30 St. Mary Axe, London EC3A 8AF as its agent for service of process in relation to any proceedings before the English courts in connection with this Agreement;

20.3.2 agrees to maintain such an agent for service of process in England for so long as any amount is outstanding under this Agreement and/or this Agreement is in force;

20.3.3 agrees that failure by a process agent to notify the Grantor of the process will not invalidate the proceedings concerned;

20.3.4 consents to the service of process relating to any such proceedings by prepaid posting of a copy of the process to its address for the time being applying under Clause 17; and

20.3.5 agrees that if the appointment of any person mentioned in Clause 20.3.1 above ceases to be effective, the Grantor shall immediately appoint a further person in England to accept service of process on its behalf in England and failing such appointment within fifteen (15) days, the Grantee is entitled to appoint such person by notice to the Grantor.

20.4 Each party to this Agreement hereby:

20.4.1 waives objection to the English courts on the ground of forum non conveniens or inappropriate forum or otherwise in connection with any dispute falling within Clause 20.2 above; and

20.4.2 agrees that a judgment or order of an English court in a dispute falling within Clause 20.2 above is conclusive and binding on such party and may be enforced against it in the courts of any other jurisdiction.

Execution Copy

AS WITNESS WHEREOF, the duly authorised representatives of the parties hereto have signed this document on the day and year first before written.

**SIGNED for and on behalf of
COMMUNICATIONS INVESTMENT PARTNERS LIMITED:**

By:

Signature:

Full name:

**SIGNED for and on behalf of
INMARSAT FINANCE III LIMITED**

Signature:

Full name:

AS WITNESS WHEREOF, the duly authorised representatives of the parties hereto have signed this document on the day and year first before written.

SIGNED for and on behalf of
COMMUNICATIONS INVESTMENT PARTNERS LIMITED:
By:

Signature:

Full name:

SIGNED for and on behalf of
INMARSAT FINANCE III LIMITED

Signature:

Full name:



Inmarsat Finance III Limited
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2 April 2007

Communications Investment Partners Limited
c/o Harneys Corporate Services Limited
Craigmuir Chambers
PO Box 71
Road Town, Tortola
BVI

Re: Amended Trust Agreement

Dear Hans,

Reference is made to (i) the Call Option Agreement (the "Call Option Agreement") dated 19 March 2007 and between Communications Investment Partners Limited ("CIP") and Inmarsat Finance III Limited ("Inmarsat Finance" and together with CIP, the "Parties"); (ii) Form of Trust Agreement (the "Form of Trust Agreement") attached as Schedule F to the Arrangement Agreement dated 19 March 2007 and between CIP Canada Investment Inc. ("Bidco"), CIP UK Holdings Limited and Stratos Global Corporation; (iii) Form of Shareholder Agreement attached as Annex 1 to the Form of Trust Agreement (the "Original Form of Shareholder Agreement"); (iv) Trust Agreement dated 2 April 2007 and between Robert M. Franklin (the "Trustee") and Bidco (the "Final Trust Agreement"); and (v) Form of Shareholder Agreement to be entered into between the Trustee and Stratos and attached as Annex 1 to the Final Trust Agreement (the "Amended Form of Shareholder Agreement").

Recognizing that the Form of Trust Agreement is to be amended as a result of certain requests made by the Trustee to Bidco, CIP and Inmarsat Finance agree to the covenants and agreements as set forth in this letter agreement (this "Letter Agreement").

1. AMENDED TRUST AGREEMENT

Each of Inmarsat Finance and CIP hereby acknowledges and agrees that: (i) the Form of Trust Agreement (including Annex 1 attached thereto) is amended and replaced in its entirety by the Final Trust Agreement; and (ii) the Final Trust Agreement (including Annex 1 attached thereto) shall for all purposes be deemed to be the "Trust Agreement" referred to in the Call Option Agreement.

2. MISCELLANEOUS

- (a) This Letter Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, commitments or understandings with respect to the matters provided for herein. This Letter Agreement shall not be amended, altered, waived or modified except by an instrument in writing duly executed by each of the Parties.
- (b) If any part of any provision of this Letter Agreement or any other agreement, document or writing given pursuant to or in connection with this Letter Agreement shall be invalid or unenforceable under applicable law, said part shall be ineffective to the extent of such invalidity only, without in any way affecting the remaining provisions of this Letter Agreement.
- (c) This Letter Agreement, the rights and obligations of the parties hereto, and any claims and disputes relating thereto, shall be governed by English law and subject to the jurisdiction of English courts.
- (d) This Letter Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

By its execution of a copy of this Letter Agreement, You hereby agree to the foregoing terms.

Yours very truly,

INMARSAT FINANCE III LIMITED

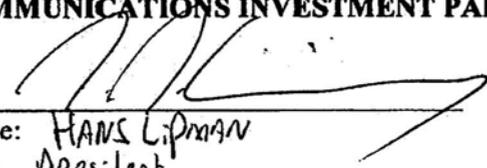
By: 

Name: Andrew Holliday

Title: COMPANY SECRETARY

Accepted and agreed this 2nd day of April 2007.

COMMUNICATIONS INVESTMENT PARTERS LIMITED

By: 

Name: HANS LIPMAN

Title: President