

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

In the matter of)
)
Stratos Global Corporation)
)
Consolidated Application for Consent to)
Transfer Control)
)

NARRATIVE

Stratos Global Corp. (“Stratos Global”) and Robert M. Franklin, Trustee, seek Commission consent for the indirect transfer of control of Stratos Global’s wholly-owned FCC-authorized subsidiaries (the “Stratos Licensees” and together with Stratos Global and the other Stratos Global subsidiaries, “Stratos”) from the current shareholders of Stratos Global to an irrevocable trust (the “Trust”) of which Mr. Franklin is the Trustee. Stratos provides mobile satellite service (“MSS”), fixed satellite service (“FSS”) and terrestrial communications solutions to its customers using, among other things, capacity that it purchases from various satellite operators.

The Trust has been established by CIP Canada Investment Inc. (“CIP Canada”), a wholly-owned subsidiary of CIP UK Holdings Limited (“CIP UK”), which, in turn, is a wholly-owned subsidiary of Communications Investment Partners Limited (“CIP”). CIP is a professional investment company owned by five individuals, which is making the proposed investment in Stratos through its subsidiaries and the Trust.

Upon consummation of the proposed transaction, the Trustee will have full autonomy to vote the Stratos shares, subject to his fiduciary obligations to CIP Canada, as the Trust’s beneficiary. Subject to the Trustee’s oversight through exercise of his shareholder voting

rights, current Stratos management will have full latitude to operate the Stratos business in the best interests of the company. Thus, as with many other recent “going private” transactions in the satellite industry that the Commission has approved, the proposed transaction will allow current public shareholders to sell their interests at a fair price, and allow Stratos management to continue to grow the company, to the benefit of both existing and future customers.

The proposed transaction will be financed indirectly by Inmarsat Finance III Limited (“Inmarsat Finance”), a wholly-owned subsidiary of Inmarsat plc (“Inmarsat”). Another Inmarsat subsidiary, Inmarsat Global Ltd. (“Inmarsat Global”), has contractual restrictions, expiring in April 2009, that prevent Inmarsat Global from owning or controlling Stratos or any other distributor of Inmarsat services. CIP has granted Inmarsat Finance a call option to acquire the stock of CIP UK, which is generally exercisable over a seventeen-month period beginning in April 2009 and ending on December 31, 2010. Until April 2009, the shares of Stratos Global will be held by the Trust to ensure that the Trustee has both *de jure* and *de facto* control of Stratos, thus ensuring compliance with Inmarsat Global’s contractual obligations.

Stratos and the Trustee concurrently are submitting the following applications requesting Commission approval of the transfer of control of the Stratos Licensees:

- Three Forms 312 seeking consent related to VSAT, FSS and MSS earth station authorizations;
- Three FCC 214 Forms seeking consent related to various International Section 214 authorizations;
- Two FCC domestic 214 applications seeking consent related to domestic 214 authority;
- One FCC Form 603 seeking consent related to various terrestrial radio authorizations; and
- One FCC Form 44 seeking consent related to the Accounting Authority authorization.

I. DESCRIPTION OF INTERESTED PARTIES IN THE TRANSACTION

A. Stratos

The Stratos Licensees are wholly-owned subsidiaries of Stratos Holdings, Inc. (a Delaware corporation), which is a wholly-owned subsidiary of Stratos Wireless, Inc. (a Canadian corporation), which in turn is a wholly-owned subsidiary of Stratos Global (also a Canadian corporation). The current organizational structure of the Stratos Licensees is shown in Appendix A. Stratos Global is a public company, traded on the Toronto Stock Exchange, that is widely held primarily by Canadian and U.S. shareholders. Stratos Global's corporate headquarters and principal place of business is Bethesda, MD.

Stratos provides Mobile Satellite Services ("MSS"), Fixed Satellite Services ("FSS") and terrestrial communications solutions to its customers. In the United States, Stratos' satellite services consist of both MSS and FSS very small aperture terminal ("VSAT") services using satellite capacity that it acquires from other entities. With regard to MSS, Stratos currently resells capacity of various satellite operators, including Globalstar, Inmarsat, Iridium and MSV. Stratos holds Commission licenses for Inmarsat mobile earth terminals ("METs"), but does not own or operate any MSS gateway earth stations in the United States.¹ Stratos' VSAT services employ satellite capacity resold from a number of operators of FSS systems, including Intelsat and SES, and utilize a number of VSAT hubs located in the United States and licensed to Stratos.² In addition, Stratos operates a terrestrial microwave network in the U.S. Gulf of Mexico, over which it primarily serves the offshore rigs and platforms of oil and gas companies. Stratos also provides competitive local exchange, competitive access, and interexchange

¹ Stratos owns MSS gateway earth stations in Australia, Canada, the Netherlands and New Zealand.

² Stratos also owns VSAT hubs in Germany, Russia and the United Kingdom.

telecommunications services in Louisiana and Texas, also primarily to its oil and gas industry customers.

B. The Trustee

A trust has been established under the laws of Canada to hold the shares of Stratos Global upon completion of the transaction. The Trustee is Robert M. Franklin, a Canadian citizen. Mr. Franklin is a prominent businessman who has served on a number of corporate boards, including (i) as Chairman from 1990 to 1993 of Glenayre Electronics Limited, a telecommunications hardware and software solutions company, (ii) a directorship from 2002-2005 on the board of Call-Net Enterprises, Inc., a Canadian competitive carrier, and (iii) as Chairman from 1993-2006 of Placer Dome, Inc., a major Canadian mining company. Mr. Franklin currently serves as a director of Barrick, a leading international gold mining company, and a number of other companies, none of which operate in the telecommunications industry. Mr. Franklin's curriculum vitae is attached as Appendix B.

C. CIP

CIP, a limited partnership organized under the laws of the British Virgin Islands, is a professional investment company with a focus on satellite services companies. The five directors (and sole equity holders) of CIP are Hans Lipman (a Dutch citizen), Eric de Jong (a Dutch citizen), Hans van Moorsel (a Dutch citizen), Eric Le Proux (a French citizen), and Victor Horcasitas (a dual U.S. and Mexican citizen). Each of these individuals holds a 20% equity and voting interest in CIP. Collectively, these individuals have more than fifty years of experience as directors of and advisors to satellite services companies in both the FSS and MSS sectors.

CIP has established two holding companies to effectuate the proposed transaction: CIP UK (a private limited company formed under the laws of England and Wales) and CIP

Canada (a Canadian corporation). CIP Canada is wholly-owned by CIP UK, which, in turn, is wholly-owned by CIP.

D. Inmarsat

Inmarsat Finance, a company formed under the laws of England and Wales, is a special purpose company established by its direct parent company, Inmarsat, to provide debt financing to CIP to fund the acquisition of Stratos. Inmarsat Global, also formed under the laws of England and Wales, operates a global MSS network and, through its distributors, offers a wide range of services to users with mobile communications needs. Inmarsat was created by the Inmarsat Convention in 1979 as an inter-governmental organization (“IGO”) to develop a global maritime satellite system to meet commercial maritime and safety communications needs of the United States and other countries.³ Each national government subscribing to the Inmarsat Convention designated an operating company to become an Inmarsat “Signatory” by signing the Inmarsat Operating Agreement and acquiring an ownership share in Inmarsat. Signatories, but not Inmarsat, could also operate terrestrial gateways, called “Land Earth Stations” or “LESs” to interconnect the satellites to the public switched telephone network. Historically, Inmarsat’s commercial role was limited to acting as a global “wholesaler” of MSS to Signatories operating LESs, who re-sold the Inmarsat services.

Inmarsat privatized in 1999 by converting to an UK private company, headquartered in London. In 2005, Inmarsat became a public company, listed on the London Stock Exchange. Inmarsat’s shares are widely held, and no shareholder owns ten percent or more of the company. In aggregate, over 85% of Inmarsat’s shares are owned by citizens of, or

³ See *Comsat Corporation d/b/a Comsat Mobile Communications, et al.*, 16 FCC Rcd 21661, 21669, ¶ 3 (2001).

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

II. DETAILS OF THE TRANSACTION

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

Upon completion of the transaction, the shares of Stratos Global will be held by the Trust. The Trust Agreement was developed, consistent with Commission policy,⁴ to ensure that the Trustee will have *de jure* and *de facto* control of Stratos. A copy of the Trust is attached as Appendix C. The Trust will hold title to, and exercise all voting rights in, the Stratos Global stock. The Trust Agreement expressly prohibits any communications between the CIP entities or the Inmarsat entities and the Trustee regarding the operation or management of Stratos. The Trustee has no direct or indirect familial ties or business relationships with CIP, apart from the Trust Agreement, or with Inmarsat.⁵ The Trust is irrevocable.⁶ The Trustee may be removed only upon a finding by an independent party that the Trustee has engaged in malfeasance,

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

⁵ See *id.* at 1579-1580, ¶ 63.

⁶ See *id.* at 1563 n.123.

criminal conduct, or wanton or willful neglect, or if the Trustee is adjudged to be incompetent by a court of competent jurisdiction.⁷ Thus, consistent with Commission precedent, neither the Trust nor the Trustee will be subject to influence by CIP (or Inmarsat) with regard to the management and control of Stratos.

Funding for the acquisition will be provided by Inmarsat Finance pursuant to a loan facility under which CIP UK may draw up to \$250 million to fund the costs of CIP Canada's acquisition of Stratos. Additional funds will be available under the loan facility to support either CIP Canada's refinancing of Stratos' existing senior bank debt facility (not expected to be drawn down, as Stratos intends to seek the consent of its current lenders to leave the senior bank debt facility in place following completion), or CIP Canada's funding of the tender offer for Stratos' outstanding bonds required to be made following completion of the transaction (again, not expected to be drawn down, as the Stratos bonds currently trade substantially above the required tender price). The loan facility is a ten year term loan with an interest rate of 5.75% through December 31, 2010 and 11.5% thereafter (interest is on a "paid in kind" basis until April 14, 2009). The loan facility is unsecured until April 14, 2009 (when a security package subordinated to the existing Stratos indebtedness will be put in place) except that, in the event of a default, Inmarsat Finance will have a right to require CIP UK to divest its shares in CIP Canada and to pay the net proceeds of sale to Inmarsat Finance. Accordingly, even as a creditor of CIP UK, Inmarsat never has any ability to take control over the management and affairs of Stratos until April 2009 (and even then will need prior Commission consent before doing so).

⁷ See *Corporate Ownership and Disclosure by Broadcast Licensees*, 97 FCC 2d 997, 1024, ¶ 55 (1984) ("Attribution Policy Statement").

CIP has granted Inmarsat Finance a call option to acquire CIP UK in consideration for a payment of \$750,000. The call option is exercisable over a seventeen-month period beginning in April 2009, and ending on December 31, 2010. The exercise price for the call option will be between \$750,000 and \$1,000,000, depending on when the call option is exercised. Unless and until the call option is exercised and regulatory approvals are obtained, Inmarsat will not have any equity interest in Stratos, or control over its management or policies.⁸

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

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

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

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

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

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

Pursuant to Section 310(d) of the Communications Act of 1934, as amended (the “Act”), the Commission will approve a proposed transfer of control if, after weighing “the potential public interest harms [of the transaction] against the potential public interest benefits,” it concludes that, “on balance,” doing so would serve the public interest, convenience, and necessity.¹⁰ Accordingly, where the potential harms from a proposed transaction are great, the potential benefits must be great; conversely, where the potential harms (if any) are small or limited, the potential benefits need only be of a similar scale.¹¹ As discussed below, the proposed transfer of control of Stratos to the Trust will provide public interest benefits with no offsetting public interest harms. The Commission therefore should grant this Application, and should do so expeditiously.

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

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

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

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

control of Stratos to be acquired, as applicable, by CIP Canada, Inmarsat Finance or a third party. Thus, this application seeks consent for the first step of an eventual two-step transaction.

The Commission has recognized that the use of trust structures can speed commercial transactions, simplify regulatory review, and therefore serve the public interest.¹² Commission precedent also recognizes trusts as a means to ensure that the beneficiary of a trust — in this case, CIP Canada — does not “control” a Commission licensee.¹³ As described above, the Trust was developed consistent with Commission precedent to ensure that the Trustee remains independent, and that the Trustee both holds and exercises *de jure* and *de facto* control of Stratos.

Commission precedent also is clear that two-step transactions, such as this, should be reviewed and approved one step at a time.¹⁴ Moreover, where the step-one transfer to a trust is effectuated to facilitate a tender offer, as is the case here, the Commission should act on an expedited basis.¹⁵ The two-step structure in this case allows the existing Stratos shareholders to sell their shares quickly, and allows the qualifications of any future proposed owner of the

¹² See, e.g., *Tender Offer Policy Statement*, 59 Rad. Reg. 2d at 1540, ¶ 8 (setting forth a procedure for expedited transfers of control to a trustee on an interim basis in the context of tender offers); *Communications Industries, Inc., James F. Rill, Trustee, and Pacific Telesis*, 1985 FCC LEXIS 2329, at *15-*16, ¶ 13 (1985) (“*Rill*”).

¹³ See *Tender Offer Policy Statement*, 59 Rad. Reg. 2d at 1578, ¶ 60; see generally *Attribution Policy Statement*, 97 FCC 2d at 1023-1024, ¶¶ 53-56 (confirming that voting trusts also can be used as a means even to avoid attribution of interests under the Commission’s media ownership limitations); 47 C.F.R. §73.3555, note 2(d) (detailing requirements for a “non-attribution” trust).

¹⁴ See, e.g., *Lockheed Martin*, 14 FCC Rcd 15816 (1999) (reviewing only step 1 of a two step transaction in which Lockheed Martin obtained a non-controlling, 49% interest in Comsat; step 2 contemplated Lockheed Martin acquiring a greater than 50% interest and assuming control).

¹⁵ See generally *Tender Offer Policy Statement*, 59 Rad. Reg. 2d at 1536, ¶ 1; *Rill*, 1985 LEXIS at *1, ¶ 1.

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

The proposed transfer of control provides the opportunity to achieve the types of public interest benefits recognized as possible in the other “going private” transactions in the satellite industry that the Commission has recently approved.¹⁷ Subject to the exercise of the Trustee’s voting rights, current Stratos management will have full latitude to operate the Stratos business in the best interests of the company. Further, the transaction provides a substantial opportunity to the Stratos public shareholders to sell their shares quickly and at a fair price.¹⁸ Stratos will continue to have the ability to expand its business, to the benefit of both existing and future customers. Indeed, the Stratos Board of Directors has unanimously approved the proposed transaction, concluding that it will benefit Stratos’ shareholders and customers. The Stratos shareholders themselves are expected to approve the transaction in June 2007.

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

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

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

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

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

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

The second step of this transaction will occur when the stock is transferred from the Trust pursuant to the terms of the Trust Agreement. Specifically, the Trust Agreement provides for the Trust to terminate automatically on April 14, 2009, as long as the Trustee is able to effectuate the transfer of control of Stratos to CIP Canada, Inmarsat Finance, or a third party, after having received all applicable government approvals.¹⁹

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

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

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

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

Indeed, the rationale for postponing consideration of transfer of control to the eventual acquirer is even stronger here than in the Commission's typical tender offer trust cases for two principal reasons. First, in the typical tender offer context, the trust has control for a relatively brief period, which is the basis for the grant of consent on a special temporary authority (STA) basis.²² By contrast, the Trust here is likely to have control of Stratos through April 2009. Consequently, the Trustee and Stratos are seeking approval for the transfer of control on a "regular," rather than an STA, basis. Second, in the typical tender offer context, the Commission has before it applications for both STA approval of transfer of control to the trust (step 1), and approval of transfer of control to the acquirer (step 2).²³ Here, there is no application pending for step 2 because that will not likely occur until April 2009, and because the identity of the eventual acquirer is not known. As noted above, the eventual acquirer of control from the Trust in step 2 could be CIP Canada, Inmarsat Finance (through exercise of its option) or a third party (if requisite regulatory approvals to transfer the shares out of the Trust to CIP

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

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

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

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

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

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

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

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

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

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

D. Other Considerations

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

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

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

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

²⁶ *Id.*

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

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

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

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

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

3. Commission Consent Should Extend to Pending and Future Applications

Stratos has various applications pending before the Commission, some of which may be granted while the instant Application is being considered (the “Interim Period”). Accordingly, the parties request that the grant of this Application include authority with respect to all (i) authorizations issued to Stratos or any of its subsidiaries during the Interim Period; (ii) construction permits held by such companies that mature into licenses during the Interim Period; and (iii) applications that are filed after the date of this Application and are pending at the time of consummation of the proposed transaction. The grant of such authority would be consistent with prior Commission precedent.²⁹

²⁹ See, e.g., *General Motors Corporation and Hughes Corporation, Transferors, and The News Corporation Limited, Transferee*, 19 FCC Rcd 6309, 6311-6312, ¶ 6 (2004); *Time Warner Inc. and America Online, Inc.*, 16 FCC Rcd 6547, 6678, ¶ 317 (2001); *Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations from Tele-Communications, Inc., Transferor, to AT&T Corp.*, 14 FCC Rcd 3160, 3234-35, ¶ 156 (1999).

4. Permit-But-Disclose Status is Warranted

The Applicants respectfully request that this proceeding be designated as “permit-but-disclose” under the Commission’s rules regarding *ex parte* communications.³⁰ Designation as a “permit-but-disclose” proceeding will serve the public interest by facilitating the development of a complete record upon which a well-reasoned decision can be made.³¹

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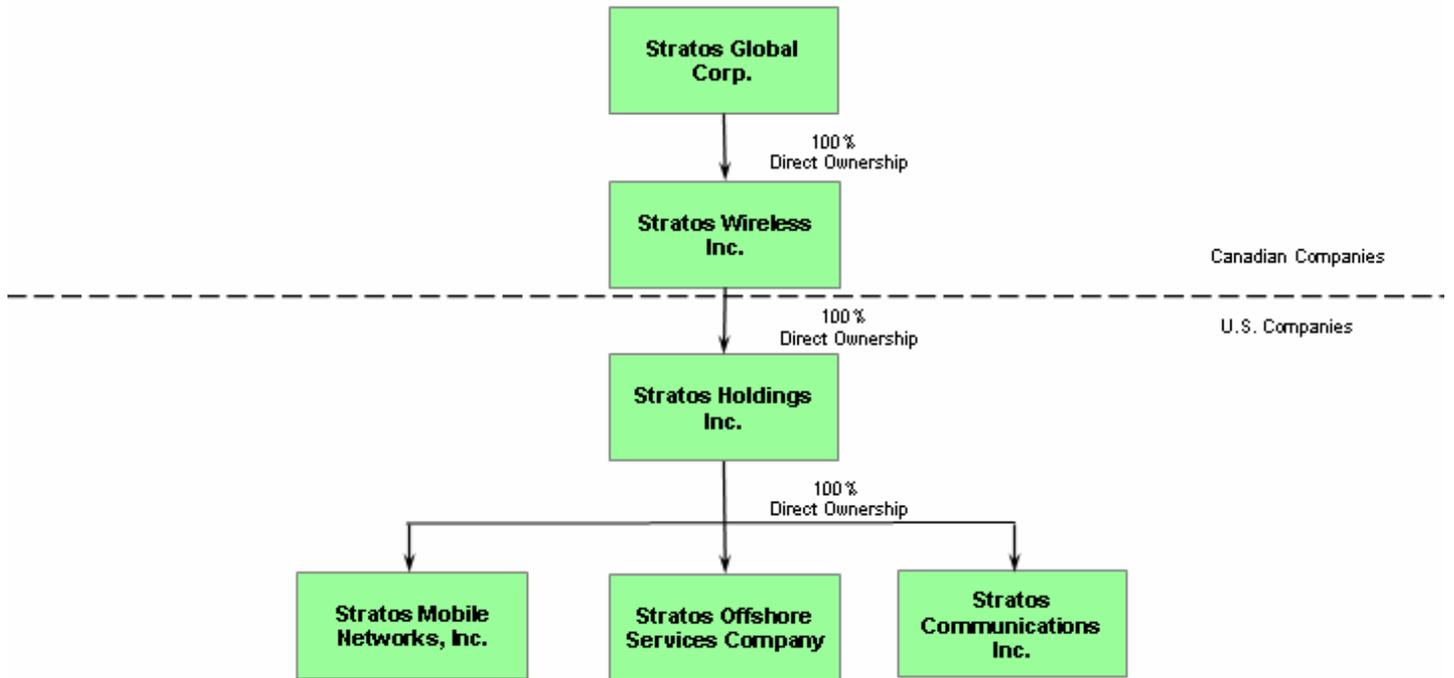
For the foregoing reasons, and the reasons provided throughout the rest of this Application, the Commission should approve the transfer of control of Stratos from the current Stratos shareholders to the Trust.

³⁰ 47 C.F.R. § 1.1200 *et seq.*

³¹ *See, e.g.,* Public Notice, *Telenor ASA, Transferor and Inceptum 1 AS, Transferee*, IB Docket No. 06-225, DA 06-2565 (rel. Dec. 21, 2006).

APPENDIX A

ORGANIZATIONAL STRUCTURE OF THE STRATOS LICENSEES



APPENDIX B

CURRICULUM VITAE OF ROBERT M. FRANKLIN, TRUSTEE

ROBERT M. FRANKLIN

34 Plymbridge Crescent, Willowdale, Ontario, M2P 1P5

Office: (416) 363-1139

Home: (416) 488-3226

robert.franklin@rogers.com

EMPLOYMENT HISTORY

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

DIRECTORSHIPS

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

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

Robert M. Franklin

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

COMMUNITY ACTIVITIES

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

EDUCATION

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

Date of Birth: January 6, 1947, Noranda, Quebec

Married: Lesley Taylor (Pinky) Shields
Three children: Signy Virginia, 1978; Jordan Alexis, 1981;
Robert Taylor, 1983

Club Memberships: Goodwood Club
Granite Club
King Valley Golf Club
Osler Bluff Ski Club
Toronto Club
York Club

Interests: Skiing, fishing, tennis, golf and reading

APPENDIX C
TRUST AGREEMENT

TRUST AGREEMENT

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

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

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

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

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

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

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

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

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

2. Transfer and Holding of the Trust Property

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

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

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

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

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

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

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

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

3. Maintenance of Trust Records; Replacement of Trust Certificates

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

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

4. Voting and Other Actions by Trustee

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

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

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

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

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

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

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

5. Transfer of Trust Property

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

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

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

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

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

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

6. Additional Capital and Debt

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

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

directly to Company, subscribe to or acquire such Securities and/or or lend such Indebtedness (the “**New Investments**”) on behalf of Bidco.

c. In the event that Bidco shall participate in any Fund Raising, Bidco shall place, and Trustee shall hold, in the Trust pursuant to the terms of this Agreement, with effect from completion of the Fund Raising, the legal title to all rights under, any New Investments subscribed, purchased or lent by Bidco, as the case may be, and the New Investments shall become subject to all of the terms and conditions of this Agreement to the same extent as if they were Trust Property the legal title to which was acquired by Trustee pursuant to Section 2.a. hereof. Trustee shall issue trust certificates to Bidco in respect of the New Investments.

7. Concerning Trustee

a. Subject to the provisions of this Agreement, the Trust shall be managed exclusively by Trustee.

b. Trustee shall be entitled to receive from Bidco, as compensation for services as a Trustee hereunder, US\$20,000 (exclusive of any applicable GST) for each month of service. Each such monthly payment shall be made no later than the 10th day of the month following the month of service. If this Agreement and the Trust terminate pursuant to Section 9 prior to the last day of a month, that month’s payment shall be pro rated. In the event Bidco fails to make a monthly payment to Trustee by the 10th day of the month following the month of service, Trustee shall have the right, upon written notification to Bidco, to withdraw an amount equal to the overdue monthly payment from the Expenses Account (as such term is defined in Section 7.c. below) and Bidco shall, as soon as

reasonably practicable, replenish the Expenses Account by an amount equal to such amount of overdue monthly payment withdrawn from the Expenses Account by Trustee.

c. Trustee is expressly authorized to incur and pay all reasonable charges and other expenses which Trustee reasonably deems necessary and proper in the performance of Trustee's duties under this Agreement. On the completion date of the Transaction and on the first day of each of the following seventeen (17) consecutive calendar months thereafter, Bidco shall deposit the sum of US\$5600 in a bank account established by Trustee in the name of the Trust for the primary purpose of paying such charges and expenses (collectively, the "**Expenses Account**"). Trustee shall provide Bidco with a monthly statement showing all activities in such Expenses Account during the preceding month, including but not limited to the then-available balance in such Expenses Account, any withdrawals made by Trustee pursuant to Section 7.b. above, any deposits made by Bidco from distributions or other payments received by Trustee in accordance with Section 8.a. below and the itemized charges and expenses that were paid by Trustee from such Expenses Account, and attach copies of reasonable documentation supporting such charges and expenses. In the event the available balance in the Expenses Account is insufficient to pay certain charges or expenses, Trustee shall notify Bidco in writing of such fact and may, in its discretion, pay such charges or expenses on behalf of the Trust, in which case Bidco will reimburse Trustee for such properly documented charges or expenses. Any such payment shall be made to Trustee promptly, but in no event later than the 30th day after submission by Trustee of an invoice or bill therefor plus appropriate supporting documentation. Upon termination of the Trust in accordance with the terms hereof, Trustee shall, after deducting all amounts due to him pursuant to Sections 7.b. and 7.c., pay any cash balance deposited at the time in the Expenses Account to Bidco.

d. Bidco hereby agrees to indemnify and hold harmless Trustee from and against all claims, costs of defense of claims (including reasonable attorneys' fees and disbursements), expenses and liability, including amounts paid to settle an action or satisfy a judgment, incurred by Trustee in connection with the performance of Trustee's duties under this Agreement.. Bidco further agrees that it shall assert all its rights against any insurance company or other third party in order to fulfill its indemnification obligations to Trustee hereunder. Bidco shall, upon demand, make advances to Trustee of all reasonable amounts for which Trustee seeks indemnification hereunder before the final disposition of the relevant proceeding. Trustee shall also be indemnified and reimbursed out of the Trust Property in respect of any amounts payable by Bidco hereunder to the extent that such amounts are not paid or advanced by Bidco on a timely basis. If and to the extent that a court of competent jurisdiction, in a final non-appealable judgment in a proceeding in which Trustee is named as a party, determines that any amounts claimed hereunder were caused by or resulted from Trustee's gross negligence or willful misconduct, then Trustee shall reimburse any funds advanced to him pursuant to this indemnity. This Section 7.d. shall survive the termination of this Agreement.

e. Trustee shall be free from liability to Bidco in acting, in accordance with the terms of this Agreement, upon any paper, document or signature believed by Trustee in good faith to be genuine and to have been signed by the proper party. Trustee shall not be liable to Bidco for any error of judgment in any act done or omitted, nor for any mistake of fact or law, nor for anything which Trustee may do or refrain from doing in good faith, except when such error, mistake, act or omission results from Trustee's gross negligence or willful misconduct. Trustee may consult with legal counsel, who shall have no business, financial, familial or other relationship with Bidco or Company, and any action under this

Agreement taken or suffered in good faith by Trustee in accordance with the advice of Trustee's counsel shall be conclusive on the parties to this Agreement and Trustee and his counsel shall not be the subject of any claim by or liability to Bidco or their respective successors or assigns. This Section 7.e. shall survive the termination of this Agreement.

f. The rights and duties of Trustee hereunder shall terminate upon Trustee's incapacity to act, death or insolvency, and no interest in any of the Trust Property held by Trustee nor any of the rights and duties of the deceased or insolvent Trustee may be transferred by will, devise, succession or in any manner except as provided in this Agreement. The heirs, administrators, executors or other representatives of the incapacitated, deceased or insolvent Trustee shall, however, have the right and duty to convey, subject to such Regulatory Approvals as may be required, legal title to any Trust Property held by Trustee to one or more Canadian resident successor trustees chosen by Bidco as soon as reasonably practicable.

g. Trustee may resign by giving ninety (90) days' advance written notice of resignation to Bidco, if and only if a successor Canadian resident trustee has been appointed (pursuant to Section 7.h. below) and such appointment has received any necessary Regulatory Approval and such approval is no longer subject to review. Bidco shall not unreasonably delay the appointment of a successor trustee.

h. Bidco may remove Trustee upon a finding by an independent party that Trustee has engaged in malfeasance, criminal conduct, or wanton or willful neglect, or if Trustee is adjudged incompetent by a court of competent jurisdiction. In the event of the removal or resignation of Trustee, Trustee shall cooperate with Bidco to ensure that the successor trustee succeeds to all of its rights and obligations under this Agreement.

i. In the event of the removal, resignation, incapacity to act, death or insolvency of Trustee, it shall be succeeded by a Canadian resident successor trustee chosen by Bidco. Subject to such Regulatory Approvals as may be required, any successor trustee shall succeed to all of the rights and obligations of the replaced Trustee hereunder upon execution by such successor trustee of a counterpart of this Agreement.

j. Trustee and any successor trustee designated pursuant to Paragraph i. of this Section 7 shall not be a partner, officer, employee, director, shareholder or Affiliate of Bidco or Inmarsat or their respective Affiliates, and may not have any business or familial relationship (as defined in the FCC Policy Statement in MM Docket No. 85-218, FCC 86-67 (March 17, 1986)) with Bidco, Inmarsat, any officer, employee, director, shareholder or Affiliate of Bidco or any officer, employee, director, material shareholder or Affiliate of Inmarsat.

8. Dividends: Distribution of Proceeds of Sales of Stock or Assets

a. In the event Trustee receives any dividends or other distributions (other than Securities of Company) or interest payments, Trustee shall deposit all or a portion of such distributions or payments in the Expenses Account so that the balance thereof satisfies the Working Balance and convey any remaining portion of such distributions or payment to Bidco.

b. In the event Trustee receives any Securities of Company in form of a dividend or other distribution, Trustee shall hold the legal title to such Securities subject to this Agreement, and the same shall become subject to all of the terms and conditions of this Agreement to the same extent as if they were Trust Property acquired by Trustee pursuant to

Section 2.a. hereof. Trustee shall issue trust certificates in respect of any such Securities to Bidco.

c. In the event of the sale of all or substantially all of the assets of Company to a third party, the dissolution or total or partial liquidation of Company, or the sale of any or all the Trust Property to a third party, Trustee shall receive on behalf of Bidco, the monies, Securities, rights or property that are distributed or are distributable in respect of the Trust Property (or any of it), or that are received in exchange for the Trust Property (or any of it), and shall promptly distribute such monies, securities, rights or property to Bidco.

9. Termination of Trust Agreement

a. Subject to such Regulatory Approvals as may be required, this Agreement and the Trust shall terminate automatically on 14 April 2009, provided, however, that if Trustee shall not have transferred the Trust Property to a Transferee pursuant to Section 5.b. or Section 5.c. of this Agreement as of 14 April 2009, then the Trust and this Agreement shall be extended until the first to occur of the following: (i) the transfer or sale of the legal title to all rights arising under all the Trust Property to Bidco as contemplated by Section 5.b. of this Agreement; (ii) the sale of the Trust Property (or all or substantially all of the assets of the Group) to a third party and the distribution of any amount received in exchange for the Trust Property to Bidco as contemplated by Sections 5.c. and 8.c. of this Agreement; or (iii) the dissolution or liquidation of Company and the distribution of any amount resulting from such dissolution or liquidation to Bidco as contemplated by Section 8.c. of this Agreement.

b. Notwithstanding any other provision of this Agreement and subject to such Regulatory Approvals as may be required to effect the Transfer of the Trust Property to Bidco or a third party as permitted under the terms hereof, the Trust and this Agreement shall terminate on the date (which may be before or after 14 April 2009) that (x) Trustee receives notice from Bidco that all provisions in the Distribution Agreements (as such term is defined in the Call Option Agreement) restricting or prohibiting the exercise and completion of the Call Option in accordance with the terms thereof shall have been waived, terminated, or shall otherwise have expired or become inapplicable or ineffective and (y) the first to occur of the events set forth in clauses (i), (ii) or (iii) in Section 9.a.

10. Communications

a. Trustee and Bidco shall communicate in writing with one another concerning the implementation of this Agreement, the implementation of the Call Option, and any termination event for the Trust.

b. Trustee shall, as soon as reasonably practicable, (x) provide to Bidco in writing all information that Trustee receives from the Group and (y), upon Bidco's written request and to the extent permitted by any applicable laws, rules and regulations, obtain from Company and pass on to Bidco in writing any other information relating to the Group as may be required for Bidco and/or its lenders (or any of their respective Affiliates) to comply with all applicable securities laws and the rules and regulations of pertinent governing authorities or bodies.

c. Under no circumstances shall (i) Bidco or any of its officers, directors, employees, shareholders or Affiliates communicate with Trustee or (ii) Trustee communicate

with Inmarsat or any of its officers, directors, employees, shareholders or Affiliates, regarding the operation or the management of Company.

d. Any communication pursuant to Section 10.a. or Section 10.b. shall be in writing.

e. All notices and other communications given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered in person or by overnight express or mailed by first-class, registered or certified mail, postage prepaid, or transmitted by telex, telecopy or telegram and addressed to the parties as follows:

(i) if to Bidco:

CIP Canada Investment Inc.
Suite 600
570 Queen Street
Fredericton New Brunswick
E3B 6Z6
Canada

Telephone: + 1 506 857 8970
Fax: + 1 506 857 4095

Attention: Hans Lipman

with copies (which shall not constitute notice) to:

Kirkland & Ellis International LLP
30 St. Mary Axe
London
EC3A 8AF
England

Attention: Matthew Hurlock

(ii) If to Trustee:

Robert M. Franklin
34 Plymbridge Crescent
Willowdale, Ontario

M2P 1P5
Canada
Telephone: (416) 363-1139
Fax:
with copies (which shall not constitute notice) to:

Torys LLP
Suite 3000
Box 270, TD Centre
79 Wellington Street West
Toronto, Ontario
M5K 1N2
Canada

Attention: James D. Scarlett

or to such other address as any of them by written notice to the others may from time to time designate. Each notice or other communication which shall be delivered, mailed or transmitted in the manner described above shall be deemed sufficiently received for all purposes at such time as it is delivered to the addressee (with any return receipt, delivery receipt or (with respect to a telex) answerback being deemed conclusive evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation.

11. Miscellaneous

- a. Trustee agrees to execute the Shareholder Agreement upon or immediately following completion of the Transaction.

- b. This Agreement constitutes the entire agreement between the parties hereto 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 Agreement may be amended, altered or modified by an instrument in writing duly executed by each of the parties hereto only to the extent necessary to (a) obtain the

Regulatory Approvals required to consummate the Transaction or (b) prevent or cure (i) a violation of FCC rules, regulations, or policies, (ii) a negative effect on Regulatory Approvals associated with the transfer of the Trust Property pursuant to Section 5 above or (iii) a contradiction of the intention of the parties as expressed in the fourth recital hereto.

c. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and permitted assigns. Subject to Section 7.i. hereof, this Agreement shall not be assignable by Trustee.

d. If any part of any provision of this Agreement or any other agreement, document or writing given pursuant to or in connection with this 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 Agreement.

e. The headings of the sections of this Agreement are inserted for convenience of reference only and do not form a part or affect the meaning hereof.

f. This Agreement, the rights and obligations of the parties hereto, and any claims and disputes relating thereto, shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada (not including the choice of law rules thereof).

g. This 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.

h. Trustee shall comply with all applicable rules, regulations and policies of the FCC and other governmental bodies in connection with the performance of its obligations hereunder.

12. Definitions

As used in this Agreement the following terms shall have the following meanings:

“Affiliate” shall have the meaning given to it in the Canada Business Corporation Act;

“Bond Indenture” shall mean the Indenture, dated February 13, 2006, entered between the Company, JP Morgan Trust Company and certain grantors listed therein;

“Business Day” means any day other than a Saturday, Sunday or any other day observed as a civic or statutory holiday in London, England or Toronto, Ontario, on which commercial banks are generally open for business in London, England and London, Ontario;

“Call Option” shall mean the call option over the entire issued share capital of CIP UK Holdings, Ltd. (the parent company of Bidco) (“Holdco”) granted to Inmarsat Finance III Limited by Communications Investment Partners Ltd. (the parent company of Holdco) pursuant to a call option agreement to be entered into on or prior to completion of the Transaction (the “Call Option Agreement”);

“Group” shall mean Company and its direct and indirect subsidiaries;

“Indebtedness” shall mean any borrowings or indebtedness (including, but not limited to acceptance credits, discounting or similar facilities, loan facilities, overdrafts, finance leases) but excluding (x) debt instruments such as notes, bonds, debentures; (y) borrowings or

indebtedness allowed under the Senior Facility; and (z) borrowings or indebtedness between the Group;

“Inmarsat” shall mean Inmarsat plc, whose registered office is at 99 City Road, London EC1Y 1AX;

“Person” shall mean any individual, firm, body, corporate, association, partnership and company;

“Regulatory Approvals” shall mean all governmental approvals, filings, waivers, clearances, approvals, no action letters and/or the expiration or early termination of applicable waiting periods as are legally required or reasonably desirable under, as applicable, the rules and regulations of the FCC, the Hart Scott Rodino Antitrust Improvements Act of 1976 (the “HSR Act”) the Competition Act, (Canada), the Investment Canada Act and other applicable laws and regulatory bodies;

“Securities” shall mean any shares or options, warrants or other securities or rights over or convertible or exchangeable into or exercisable for shares or common or preferred equity equivalents, notes, bonds, debentures, and any other instrument evidencing indebtedness;

“Senior Facility” shall mean the Group’s senior secured credit facility in existence as at the date hereof, and as amended or replaced from time to time; and

“Shareholder Agreement” shall mean the agreement between Trustee and Company, in the form set out at Annex 1 hereto and to be entered into upon completion of the Transaction.

NO FURTHER TEXT. EXECUTION PAGE FOLLOWS.

IN WITNESS WHEREOF, the parties hereto have executed this agreement or caused this Agreement to be duly executed on their behalf as of the date and year first hereinabove set forth.

CIP Canada Investment Inc.

Trustee

By: 

By: _____

Execution Copy

IN WITNESS WHEREOF, the parties hereto have executed this agreement or caused this Agreement to be duly executed on their behalf as of the date and year first hereinabove set forth.

CIP Canada Investment Inc.

Trustee

By: _____

By:  _____

IN WITNESS WHEREOF, the parties hereto have executed this agreement or caused this Agreement to be duly executed on their behalf as of the date and year first hereinabove set forth.

CIP Canada Investment Inc.

Trustee

By: _____

By: _____

Exhibit ATRUST CERTIFICATE

This certifies that the undersigned, Robert M. Franklin, as trustee ("Trustee") has received certificates representing • common shares of stock (the "Stock") of Stratos Global Corporation, a Canadian corporation, ("Company") which shares were delivered to Trustee in accordance with Section 2 of the Trust Agreement, dated and effective April 2, 2007, between Trustee and Bidco (the "Trust Agreement"). Terms not otherwise defined herein shall have the meanings ascribed to them in the Trust Agreement. The Stock is duly registered in the name of Trustee, and is being held by Trustee on the following terms and conditions:

Rights of Bidco

Bidco shall not hold legal title to the Stock, but will retain beneficial ownership therein until certain regulatory requirements have been satisfied and only to the extent provided in the Trust Agreement.

Voting Rights

Trustee, during the term of the Trust Agreement, is the holder of the legal title to the Stock for all purposes provided for in the Trust Agreement, and shall have all voting rights with respect to the Stock, and the right to take part in, or consent to, any corporate or stockholder's actions of any kind, as provided in the Trust Agreement.

Dividends and Distributions

Bidco shall be entitled to receive, subject to the provisions of the Trust Agreement, payments of dividends and other distributions (other than the legal title to voting securities of Company) collected or received by Trustee with respect to the Stock, except that in the event Trustee receives any additional voting securities of Company through a dividend or other distribution with respect to the Stock, Trustee shall hold the legal title to such securities pursuant to the terms of the Trust Agreement and shall issue to Bidco additional Trust Certificates therefor.

Termination

Subject to such approval of the FCC and/or other regulatory bodies as may be required, the Trust Agreement and the Trust shall terminate automatically on 14 April 2009, provided that, if the Stock has not been transferred as of that date pursuant to Section 5.b. or Section 5.c. of the Trust Agreement, then the Trust and this Trust Agreement shall be extended until the first to occur of the following: (i) the transfer or sale of the legal title to all the Stock to Bidco as contemplated by Section 5.b. of the Trust Agreement; (ii) the sale of the Stock to a third party and the distribution of any amount received in exchange for the Stock to Bidco as contemplated by Sections 5.c. and 8.c. of the Trust Agreement; and (iii) the dissolution or liquidation of Company and the distribution of any amount resulting from such dissolution or liquidation to Bidco as contemplated by Section 8.c. of the Trust Agreement.

Notwithstanding any other provision of the Trust and the Trust Agreement and subject to such Regulatory Approvals as may be required to effect the transfer of the Stock to Bidco or a Third Party as permitted under the Trust Agreement, the Trust Agreement shall terminate on the date (which may be before or after 14 April 2009) that (x) Trustee receives notice from Bidco that all provisions in the Distribution Agreements (as defined in the Call Option Agreement) restricting or prohibiting the exercise and completion of the Call Option in accordance with the terms thereof shall have been waived, terminated, or shall otherwise have expired or become inapplicable or ineffective and (y) the first to occur of the events set forth in (i), (ii) and (iii) in this paragraph.

Restriction on Transfers

This Trust Certificate and the shares of Stock for which it was issued are not transferable during the term of the Trust Agreement, except as provided in or contemplated by the Trust Agreement.

Trust Agreement

This Trust Certificate is governed in all respects by the Trust Agreement. In the event of any inconsistency between the terms and conditions of this Certificate and the Trust Agreement, the Trust Agreement shall prevail.

TRUSTEE:

Date:

Exhibit BTRUST CERTIFICATE

This certifies that the undersigned, Robert M. Franklin, as trustee ("Trustee") has received certificates representing \$[●] principal amount of bonds (the "Bonds") of Sprite Global Corporation, a Canadian corporation, ("Company") issued pursuant to an indenture dated February 13, 2006, between Company, JP Morgan Trust Company National Association and the Guarantors listed therein. Such Bonds were delivered to Trustee in accordance with Section 2 of the Trust Agreement, dated and effective April 2, 2007, between Trustee and Bidco (the "Trust Agreement"). Terms not otherwise defined herein shall have the meanings ascribed to them in the Trust Agreement. The Bonds are duly registered in the name of Trustee, and are being held by Trustee on the following terms and conditions:

Rights of Bidco

Bidco shall not hold legal title to the Bonds, but will retain beneficial ownership therein until certain regulatory requirements have been satisfied and only to the extent provided in the Trust Agreement.

Voting Rights

Trustee, during the term of the Trust Agreement, is the holder of the legal title to the Bonds for all purposes provided for in the Trust Agreement, and shall have all voting rights with respect to the Bonds, and the right to take part in, or consent to, any bondholder's actions of any kind, as provided in the Trust Agreement.

Interest and Distributions

Bidco shall be entitled to receive, subject to the provisions of the Trust Agreement, payments of interest and other distributions (other than the legal title to bonds of Company) collected or received by Trustee with respect to the Bonds, except that in the event Trustee receives any additional bonds of Company through a dividend or other distribution, Trustee shall hold the legal title to such bonds pursuant to the terms of the Trust Agreement and shall issue to Bidco additional Trust Certificates therefore.

Termination

Subject to such approval of the FCC and/or other regulatory bodies as may be required, the Trust Agreement and the Trust shall terminate automatically on 14 April 2009, provided that, if the Bonds have not been transferred as of that date pursuant to Section 5.b. or Section 5.c. of the Trust Agreement, then the Trust and the Trust Agreement shall be extended until the first to occur of the following: (i) the transfer or sale of the legal title to all the Bonds to Bidco as contemplated by Section 5.b. of the Trust Agreement; (ii) the sale of the Bonds to a third party and the distribution of any amount received in exchange for the Bonds to Bidco as contemplated by Sections 5.c. and 8.c. of the Trust Agreement; and (iii) the dissolution or liquidation of Company and the distribution of any amount resulting from

such dissolution or liquidation to Bidco as contemplated by Section 8.c. of the Trust Agreement. Notwithstanding any other provision of the Trust and the Trust Agreement and subject to such Regulatory Approvals as may be required to effect the transfer of the Bonds to Bidco or a third party as permitted under the Trust Agreement, the Trust Agreement shall terminate on the date (which may be before or after 14 April 2009) that (x) Trustee receives notice from Bidco that all provisions in the Distribution Agreements (as defined in the Call Option Agreement) restricting or prohibiting the exercise and completion of the Call Option in accordance with the terms thereof shall have been waived, terminated, or shall otherwise have expired or become inapplicable or ineffective and (y) the first to occur of the events set forth in (i), (ii) and (iii) in this paragraph.

Restriction on Transfers

This Trust Certificate and the Bonds for which it was issued are not transferable during the term of the Trust Agreement, except as provided in or contemplated by the Trust Agreement.

Trust Agreement

This Trust Certificate is governed in all respects by the Trust Agreement. In the event of any inconsistency between the terms and conditions of this Certificate and the Trust Agreement, the Trust Agreement shall prevail.

TRUSTEE:

Annex 1

Shareholder Agreement

SHAREHOLDER AGREEMENT

THIS SHAREHOLDER AGREEMENT (this "Agreement") is entered into as of _____, to be effective as of _____ ("Effective Date"), by and between Robert M. Franklin (the "Shareholder") and Stratos Global Corporation, a corporation organized and existing under the laws of Canada (the "Company");"

WHEREAS, CIP Canada Investment Inc., a corporation organized and existing under the laws of Canada ("CIP") has acquired, through a statutory arrangement under the *Canada Business Corporations Act* (the "Act"), all of the issued and outstanding common shares (the "Stock") of the Company, and deposited legal title to such Stock in the Trust created under the terms of a trust agreement dated April 2, 2007, (the "Trust Agreement") pursuant to which the Shareholder has accepted the trust created thereby and has agreed to serve as trustee and hold legal title to the Stock for the benefit of CIP and comply with the terms therein (the "Transaction");

WHEREAS the parties wish to provide for right of the Shareholder to have a preemptive right as regards additional funding of the Group during the period that the Shareholder holds the Stock under the terms of the Trust Agreement. Unless defined elsewhere herein all capitalized terms shall have the meaning ascribed to them in Section 5 hereof.

NOW THEREFORE in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the parties hereto covenant and agree as follows:

1. **Term.** This Agreement shall be in effect for a term commencing on the Effective Date and shall terminate immediately when the Shareholder (or its permitted assignees in accordance with the Trust Agreement) ceases to be the holder of legal title to the Stock.
2. **Additional Capital and Debt.**
 - (a) If any member of the Group desires to issue Securities or incur Indebtedness (each a "Fund Raising"), then the Company agrees that the Group shall undertake such Fund Raising only in accordance with the terms of this Section 2.
 - (b) In connection with any Fund Raising and at least 40 Business Days prior to an Offering, the Company shall deliver to the Shareholder a written notice ("Fund Raising Notice") containing the terms, conditions and the legal documentation necessary for the completion of the proposed Fund Raising (the "Offering Terms").
 - (c) Upon the receipt of the Fund Raising Notice, the Shareholder shall have the first option but not the obligation (the "ROFR"), with respect to such Fund Raising, to (i) subscribe for up to all Securities and (ii) lend up to all the Indebtedness, in each case, in the Fund Raising on the Offering Terms. Any ROFR will be exercisable by the Shareholder at any time within 35 Business Days following the receipt of the Fund Raising Notice (such 35 Business Day

period being the "Subscription Period"), by notice in writing to the Company (an "Exercise Notice").

- (d) All (and not some only) of the new Securities and/or additional Indebtedness which have not been accepted for subscription and/or purchase by the Shareholder during the Subscription Period, by delivery of an Exercise Notice, may be offered by the Company for subscription and/or purchase by one or more *bona fide* independent third parties within 180 days following the Subscription Period on the relevant Offering Terms. If a transaction is not completed with one or more such third parties on such terms during such 180 day period, then that Fund Raising shall be terminated, provided that the Company shall be permitted to begin a new Fund Raising at any time thereafter so long as it again complies with the terms of this Section 2.

3. **Notices.** All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been received (a) when delivered personally to the recipient, (b) when telecopied to the recipient (with hard copy sent to the recipient by internationally reputable overnight courier service (charges prepaid) that same day) if telecopied before 5:00 p.m., local time in the jurisdiction of recipient on a Business Day, and otherwise on the next Business Day, or (c) two (2) Business Days after being sent to the recipient by internationally reputable overnight courier service (charges prepaid). Such notices, demands and other communications shall be sent to the parties hereto at the addresses set forth below.

To the Company:

Stratos Global Corporation
6901 Rockledge Drive, Suite 900
Bethesda, Maryland 20817

Attention: Richard Harris
Telephone: (301) 214-8800
Facsimile: (301) 214-2234

with a copy (which shall not constitute notice hereunder) to:

Blake, Cassels & Graydon LLP
2800 – 199 Bay Street
Commerce Court West
Toronto, Ontario M5L 1A9

Attention: David J. Toswell
Telephone: (416) 863-2400
Facsimile: (416) 863-2653

To the Shareholder:

Robert M. Franklin
34 Plymbridge Crescent

Willowdale, Ontario
M2P 1P5
Canada
Telephone: (416) 363-1139
Fax:

with copies (which shall not constitute notice) to:

Torys LLP
Suite 3000
Box 270, TD Centre
79 Wellington Street West
Toronto, Ontario
M5K 1N2
Canada

Attention: James D. Scarlett

4. **Miscellaneous.**

- (a) The parties hereto acknowledge and agree that the Shareholder has no personal obligation or liability hereunder and has entered into this Agreement solely on behalf of the Trust. The parties hereto shall limit any claims hereunder to assets of the Trust and shall have no recourse to any personal assets of the Shareholder.
- (b) This Agreement constitutes the entire agreement between the parties hereto 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 Agreement shall not be amended, altered, waived or modified except by an instrument in writing duly executed by each of the parties hereto. No course of dealing or the failure of any party to enforce any of the provisions of this Agreement shall in any way operate as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.
- (c) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and permitted assigns. This Agreement shall not be assignable by either party; provided that the Shareholder shall be permitted to assign this Agreement to a successor shareholder and trustee in accordance with Section 7(h) of the Trust Agreement.
- (d) If any part of any provision of this Agreement or any other agreement, document or writing given pursuant to or in connection with this 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 Agreement.

- (e) The headings of the sections of this Agreement are inserted for convenience of reference only and do not form a part or affect the meaning hereof.
- (f) Any person having rights under any provision of this Agreement shall be entitled to enforce their rights under this Agreement specifically, to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights existing in their favor.
- (g) This Agreement, the rights and obligations of the parties hereto, and any claims and disputes relating thereto, shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein (not including the choice of law rules thereof).
- (h) This 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.

5. **Certain Definitions.** For purposes of this Agreement:

- (a) "Act" has the meaning set forth in the preamble;
- (b) "Agreement" has the meaning set forth in the preamble;
- (c) "Business Day" means any day, other than a Saturday, Sunday or any other day observed as a civic or statutory holiday in London, England or Toronto, Ontario, on which commercial banks are generally open for business in London, England and Toronto, Ontario;
- (d) "CIP" has the meaning set forth in the preamble;
- (e) "Company" has the meaning set forth in the preamble;
- (f) "Effective Date" has the meaning set forth in the preamble;
- (g) "Exercise Notice" has the meaning set forth in Section 2;
- (h) "Fund Raising" has the meaning set forth in Section 2;
- (i) "Fund Raising Notice" has the meaning set forth in Section 2;
- (j) "Group" means the Company and its Subsidiaries;
- (k) "Indebtedness" means any borrowings or indebtedness (including, but not limited to acceptance credits, discounting or similar facilities, loan facilities, overdrafts, finance leases) but excluding (x) debt instruments such as notes, bonds, debentures; (y) borrowings or indebtedness allowed under the Senior Credit Facility and subscribed by members of the Senior Credit Facility syndicate; and (z) borrowings or indebtedness between members of the Group;
- (l) "Offering" means the offer, sale, issue, transfer of any Securities or Indebtedness (or other transaction having similar effect) to any Person other than the Shareholder,

- (m) "Offering Terms" has the meaning set forth in Section 2;
- (n) "Person" means any individual, firm, body, corporate, association, partnership and company;
- (o) "ROFR" has the meaning set forth in Section 2;
- (p) "Securities" shall mean any shares or options, warrants or other securities or rights over or convertible or exchangeable into or exercisable for shares or common or preferred equity equivalents, notes, bonds, debentures, and any other instrument evidencing indebtedness;
- (q) "Senior Credit Facility" means the Group's senior secured credit facility in existence as of the date hereof, and as amended or replaced from time to time.
- (r) "Shareholder" has the meaning set forth in the preamble;
- (s) "Stock" has the meaning set forth in the preamble;
- (t) "Subscription Period" has the meaning set forth in Section 2;
- (u) "Subsidiary" and "Subsidiaries" means, with respect to the Company, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by the Company or one or more of the other Subsidiaries of the Company or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity, a majority of the limited liability company, partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by the Company or one or more Subsidiaries of the Company or a combination thereof. For purposes hereof, the Company shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if the Company shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control the managing director or general partner of such limited liability company, partnership, association or other business entity;
- (v) "Term" has the meaning set forth in Section 1;
- (w) "Transaction" has the meaning set forth in the preamble;
- (x) "Trust" has the meaning set forth in the preamble; and
- (y) "Trust Agreement" has the meaning set forth in the preamble.

NO FURTHER TEXT. EXECUTION PAGE FOLLOWS.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused this Agreement to be duly executed on their behalf as of the date and year first hereinabove set forth.

Shareholder

Company

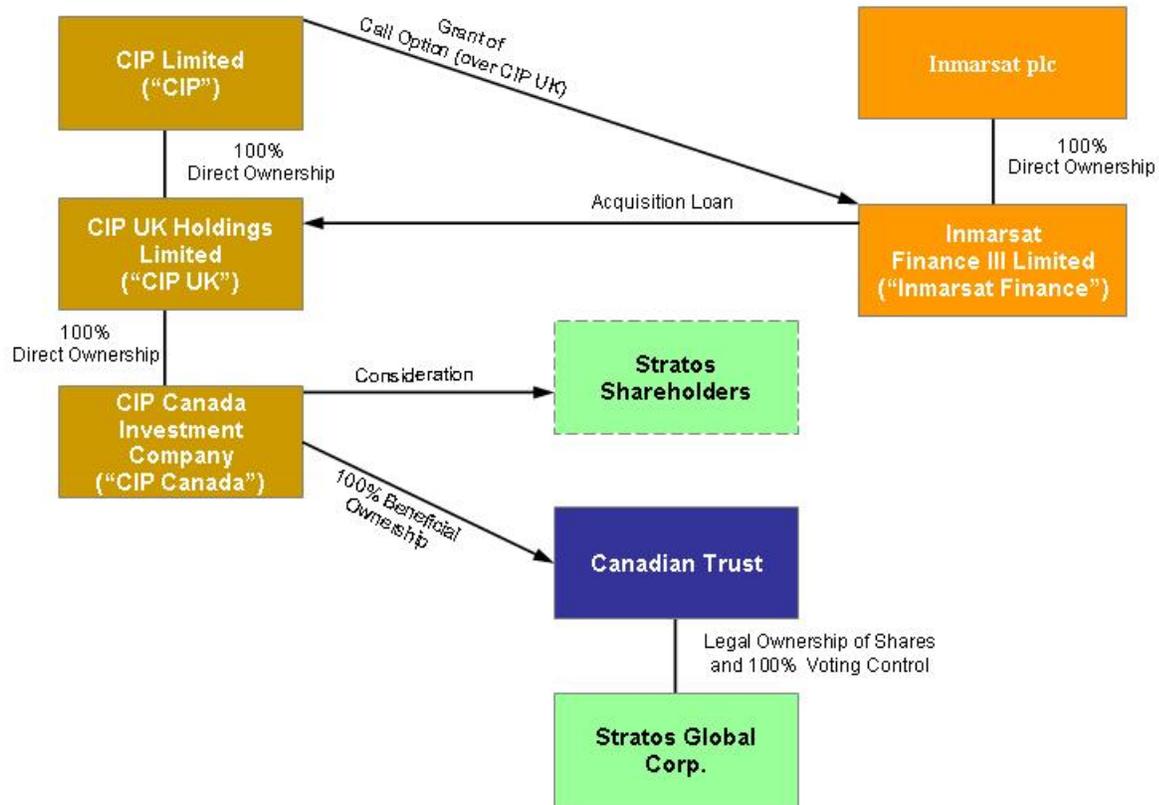
By: _____

By: _____

APPENDIX D

DEPICTION OF TRANSACTION

Stratos Shares Transferred to Trust



APPENDIX E

SECTION 310(b)(4) SHOWING

The Transaction Is Consistent with the Commission's Foreign Ownership Policies

The proposed transaction seeks authority to transfer control of Stratos Global Corporation (a Canadian corporation) ("Stratos Global") and its indirect U.S.-licensee subsidiaries, Stratos Mobile Networks, Inc., Stratos Offshore Services Company, and Stratos Communications Inc. (the "Stratos Licensees" and, and together with Stratos Global, "Stratos"), to a Canadian trust with a trustee, Robert M. Franklin, who is a citizen of, and has his primary residence in, Canada. The Trustee will have full autonomy to vote the Stratos shares held by the Trust. Therefore, the Trust will have *de jure* and *de facto* control of Stratos Global and, in turn, the Stratos Licensees.¹

The Stratos Licensees hold common carrier earth station and terrestrial wireless licenses, which implicate Commission analysis of foreign ownership under Section 310(b) of the Communications Act of 1934, as amended (the "Act"). In this analysis, the Commission considers both voting and non-voting equity interests, including interests of beneficiaries of a trust that holds voting or non-voting stock.²

In this case, the direct and indirect beneficiaries of the Trust will be CIP Canada Investment Inc. (a Canadian corporation), which is wholly owned by CIP UK Holdings Limited (a private limited company formed under the laws of England and Wales), which in turn is a wholly-owned subsidiary of Communications Investment Partners Limited (a British Virgin

¹ The organizational structure of the Stratos Licensees is shown in Appendix A.

² *Foreign Ownership Guidelines for FCC Common Carrier and Aeronautical Radio Licenses*, 19 FCC Rcd 22612, 22625 (2004).

Islands corporation) (“CIP”). CIP is a new investment company whose initial investment will be (and only proposed current investment is) in Stratos. CIP is owned by five principals, each of whom holds a 20% equity and voting interest: Hans Lipman (a Dutch citizen and resident), Eric Maria Johannes Werner de Jong (a Dutch citizen and resident), J.J.M. (“Hans”) van Moorsel (a Dutch citizen and resident), Eric Marie Alain Le Proux de la Riviere (a French citizen and resident), and Victor Horcasitas Rivas (a dual U.S. and Mexican citizen, whose primary residence is in Spain).

Thus, all voting and beneficial interests in Stratos will be held by entities organized in, and/or individuals who are citizens of, World Trade Organization (“WTO”)-member countries.

In its *Foreign Participation Order*,³ the Commission determined that it would promote competition in the U.S. market, and thereby would serve the public interest, to allow indirect foreign investment in common carrier radio licensees beyond the 25 percent benchmark established by Section 310(b)(4) the Act. The Commission adopted a “strong presumption that no competitive concerns are raised by . . . indirect foreign investment” from entities from WTO member countries,⁴ unless granting the application would pose a “very high risk to competition” in the United States that cannot be addressed by existing conditions the Commission places on U.S. international carriers considered dominant under its rules.⁵ Since adopting the *Foreign*

³ *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, 12 FCC Rcd 23891 (1997) (“*Foreign Participation Order*”).

⁴ *Voicestream Wireless Corp.*, 15 FCC Rcd 3341, 3348, ¶ 16 (2000).

⁵ *Foreign Participation Order*, 12 FCC Rcd at 23913-23914, ¶¶ 50-52.

Participation Order, the Commission consistently has permitted WTO foreign interests in FCC license and authorization holders, including 100% foreign ownership.⁶

The Applicants seek a declaratory ruling that it is in the public interest for the Stratos Licensees to be controlled by a Canadian trust with a Canadian trustee, with up to and including 100% of the beneficial interest in the Trust held directly or indirectly by non-U.S. persons and entities. At present, Stratos has Commission authority to have up to 100% Canadian ownership, but needs to seek Commission consent if “investors from a foreign country other than Canada would cumulatively own greater than 25 percent of Stratos Global”⁷ Stratos already is more than 25% foreign-owned, and the proposed transaction will result in replacing the current foreign ownership by certain of Stratos’ public shareholders with foreign ownership by a Canadian trust (with a Canadian trustee). The direct and indirect beneficiaries of that Trust, in turn, will be CIP Canada, CIP UK, CIP, and the five CIP principals (one of whom is a dual U.S.-Mexican citizen).

As explained above and detailed in the Narrative to this Application, the Trust, the Trustee, CIP and its subsidiaries, and the CIP principals, all are organized under the laws of, or are citizens of, Canada, the Netherlands, the British Virgin Islands, England and Wales, Mexico, or France, all WTO-member countries. As a result, the presumption that foreign ownership in excess of the Section 310(b)(4) benchmark serves the public interest applies here.⁸

⁶ See, e.g., *Intelsat, Ltd., Transferor, and Zeus Holdings Ltd., Transferee*, 19 FCC Rcd 24820 (2004); *Applications of Comsat General Corporation*, 19 FCC Rcd 21216 (2004); *Voicestream Wireless Corporation*, 16 FCC Rcd 9779 (2001).

⁷ *Actions Taken*, Public Notice, Rep. No. SES-00553 (rel. Nov. 19, 2003).

⁸ Debt financing for this transaction is being supplied by Inmarsat Finance III Limited, a subsidiary of a widely-held, publicly traded entity that is organized under the laws of England and Wales. See Application Narrative.

Furthermore, as this transaction represents CIP's first investment in the communications industry (or otherwise), and the Trustee has no other cognizable interests in the communications industry, the transaction raises no competitive concerns. Thus, the proposed indirect foreign ownership is fully consistent with Commission precedent and should be found to be in the public interest.