

MG01

Particulars of a mortgage or charge

227533/13



A fee is payable with this form

We will not accept this form unless you send the correct fee
Please see 'How to pay' on the last page



What this form is for

You may use this form to register
particulars of a mortgage or charge
in England and Wales or Northern
Ireland



What this form is NOT

You cannot use this for
particulars of a charge
company. To do this, p
form MG01s

TUESDAY



LD6

LK2E3N0B

31/08/2010

367

COMPANIES HOUSE

1

Company details

Company number 0 6 5 8 0 9 0 7

Company name in full Avanti Caledonian Broadband Limited (the "Chargor")

2

For official use

→ Filling in this form

Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2

Date of creation of charge

Date of creation d1 d8 m0 m8 y2 y0 y1 y0

3

Description

Please give a description of the instrument (if any) creating or evidencing the
charge, e.g. 'Trust Deed', 'Debenture', 'Mortgage', or 'Legal charge'

Description

Debenture dated 18 August 2010 between, amongst others, Avanti Communications Group
plc, Avanti Communications Infrastructure Limited, Avanti Space Limited, Avanti
Communications Limited, Avanti Broadband Limited, Avanti Caledonian Broadband
Limited, Avanti (NI) Limited, Avanti Broadband (Ire) Limited, Avanti Launch Services
Limited.

4

Amount secured

Please give us details of the amount secured by the mortgage or charge

Amount secured

All present and future Liabilities of the Obligors and the
Chargor to the Secured Creditors (or any of them) under or in
relation to any one or more of the HYLAS 2 Finance
Documents (including, without limitation, all Liabilities arising
out of any extension, variation, modification, restatement or
novation of such HYLAS 2 Finance Documents whatsoever)
(the "Secured Obligations")

Continuation page

Please use a continuation page if
you need to enter more details

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5 Mortgagee(s) or person(s) entitled to the charge (if any)

Please give the name and address of the mortgagee(s) or person(s) entitled to the charge

Continuation page
Please use a continuation page if you need to enter more details

Name Commerzbank AG, Filiale Luxemburg

Address Boîte Postale 265, L-2012 Luxembourg

Postcode

Name Commerzbank AG, Filiale Luxemburg

Address 6a, route de Trèves, L-2633 Senningerberg

Postcode

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Continuation page
Please use a continuation page if you need to enter more details

Short particulars

Please see Schedule 1.

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7 Particulars as to commission, allowance or discount (if any)

Please insert the amount or rate percent of any commission, allowance or discount paid or made either directly or indirectly by the company to any person on consideration of his

- subscribing or agreeing to subscribe, whether absolutely or conditionally, or
- procuring or agreeing to procure subscriptions, whether absolute or conditional,

for any debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered

Commission allowance or discount

8 Delivery of instrument

You must deliver the original instrument (if any) creating or evidencing the charge and these prescribed particulars to the Registrar of Companies within 21 days after the date of creation of the charge (section 860). If the property is situated and the charge was created outside the United Kingdom (UK), you must deliver the information to the Registrar within 21 days after the date on which the instrument could have been received in the UK in the normal course of post and assuming you had posted it promptly (section 866)

We will accept a verified copy of the instrument creating the charge where the property charged is situated and the charge was created outside the UK (section 870). The company or the person who has delivered the copy to the Registrar must verify it to be a correct copy and sign it. Where a body corporate gives the verification, an officer of that body must sign it. We will also accept a verified copy where section 867(2) applies (property situated in another part of UK)

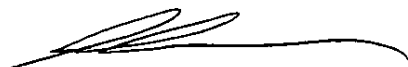
9 Signature

Please sign the form here

Signature

Signature

X



X

This form must be signed by a person with an interest in the registration of the charge

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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form and will establish where we return the original documents. The contact information you give will be visible to searchers of the public record.

Contact name Ricky Champion

Company name White & Case LLP

Address 5 Old Broad Street

Post town London

County/Region

Postcode E C 2 N 1 D W

Country England

DX

Telephone 020 7532 1226



Certificate

We will send your certificate to the presenter's address if given above or to the Company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register
- ☐ You have included the original deed with this form
- ☐ You have entered the date the charge was created
- ☐ You have supplied the description of the instrument
- ☐ You have given details of the amount secured by the mortgagee or chargee
- ☐ You have given details of the mortgagee(s) or person(s) entitled to the charge
- ☐ You have entered the short particulars of all the property mortgaged or charged
- ☐ You have signed the form
- ☐ You have enclosed the correct fee



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge.

Make cheques or postal orders payable to 'Companies House'.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the appropriate address below.

For companies registered in England and Wales.

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

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Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged.

Short particulars

Schedule 1

Short particulars of all property mortgaged or charged

1. CHARGES

1.1 Fixed charge

The Chargor, with full title guarantee and as continuing security for the payment, discharge and performance of the Secured Obligations, charges in favour of the Security Agent to hold the same on trust for the Secured Creditors on the terms set out in the Intercreditor Agreement and the Security Trust Deed.

- (a) by way of legal mortgage, all of the Real Property (if any) specified in Part I of Schedule 1 (*Real Property*) of the Debenture and all other Real Property now vested in the Chargor and the proceeds of sale of all or any part thereof,
- (b) by way of fixed charge, all of the Chargor's present and future right, title and interest in and to the benefit of (but in the case of subparagraphs (vi) and (vii) below only if and to the extent the rights in question have not been effectively assigned pursuant to paragraph 2 (*Assignments*) below, or such rights have been effectively assigned but such assignment has not been perfected by the service of the appropriate Notice of Assignment) .
 - (i) to the extent not effectively charged pursuant to subparagraph (a) above, all estates or interests in any Real Property (whether such interests are freehold, leasehold or licenses) vested in, or acquired by, it now or after the date of the Debenture and the proceeds of sale of all or any part thereof,
 - (ii) to the extent not effectively charged pursuant to subparagraph (a) or (b)(i) above, all plant and machinery, equipment, computers, vehicles and other chattels (excluding any for the time being forming part of the Chargor's stock-in-trade or work in progress) now or in the future owned by the Chargor or (to the extent of such interest) in which the Chargor has an interest and the benefit of all contracts and warranties relating to the same,
 - (iii) all Charged Accounts,
 - (iv) the Intercompany Indebtedness,
 - (v) all Investments and all Related Rights,

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	Please give the short particulars of the property mortgaged or charged.
Short particulars	<p>(vi) all Insurances and all Related Rights,</p> <p>(vii) (to the extent that the same are not effectively assigned pursuant to paragraph 2 (<i>Assignments</i>)) below, the HYLAS 1 Contract, the Intelsat Contract, the ESA Contract, HYLAS 1 LSA and any other Material Contract and all Related Rights,</p> <p>(viii) all Ka-Band Licences and Ku-Band Licences and all other licences and authorisations (statutory or otherwise) held in connection with the business of the Chargor or the use of any asset of the Chargor and the right to recover and receive all compensation which may at any time become payable to it in respect of the same,</p> <p>(ix) any interest, claim or entitlement of the Chargor in, to or in respect of any pension fund (to the extent permitted as a matter of law);</p> <p>(x) all its present and future uncalled capital and goodwill (including, without limitation, all brand names not otherwise subject to a fixed charge or assignment under the Debenture) of the Chargor, and</p> <p>(xi) all its present and future Intellectual Property Rights including, without limitation, all Registered Intellectual Property Rights, patents, registered trade marks and registered designs (if any) including applications for, and all rights and claims in relation to, any of the same in any part of the world of the Chargor.</p> <p>1 2 Fixed Charges in relation to Shares</p> <p>With full title guarantee and as continuing security for the payment, discharge and performance of the Secured Obligations, the Parent hereby charges in favour of the Security Agent, to hold the same on trust for the Secured Creditors on the terms set out in the Intercreditor Agreement and the Security Trust Deed, all of its present and future rights, title, benefit and interest under and in respect of the Shares</p> <p>1 3 Non-Chargeable Rights and Assets</p> <p>Notwithstanding the effectiveness of the charges over any property, assets or rights described in paragraphs 1 1 (<i>Fixed Charge</i>), 1.2 (<i>Fixed charges in relation to Shares</i>), 2 (<i>Assignments</i>) and 3 (<i>Floating Charge</i>), the following property, assets or rights will be non-chargeable:</p> <p>(a) any equipment the subject of a HYLAS 1 Permitted Security.</p>

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Short particulars	<p>(b) any amounts due and payable to ESA by Avanti Communications Limited pursuant to the terms of the ESA Contract, and</p> <p>(c) any rights, title, benefit and interest under or in respect of all Investments in any Unrestricted Subsidiary (and all Related Rights in respect thereof) and any Intercompany Indebtedness owed to the Chargor by an Unrestricted Subsidiary</p> <p>2. ASSIGNMENTS</p> <p>2.1 Assignments</p> <p>Subject to paragraph 2.2 (<i>Non-Assignable Rights</i>), the Chargor with full title guarantee hereby assigns absolutely by way of continuing security for the payment and discharge of the Secured Obligations to the Security Agent to hold the same on trust for the Secured Creditors on the terms set out in the Intercreditor Agreement and the Security Trust Deed, all its present and future right, title, benefit and interest under and in respect of</p> <p>(a) each of the HYLAS 1 Contract, the Intelsat Contract, the HYLAS 1 LMA, the ESA Contract, the HYLAS 1 LSA and any other Material Contract and all Related Rights,</p> <p>(b) the Insurances and all Related Rights,</p> <p>(c) all Assigned Accounts,</p> <p>(d) to the extent not charged under the provisions of sub-paragraph (b)(xi) of paragraph 1.1 (<i>Fixed Charge</i>), all Intellectual Property Rights, and</p> <p>(e) all its present and future rights, title, benefit and interests under and in respect of the Intercompany Indebtedness and any other amounts payable in respect thereof.</p> <p>2.2 Non-Assignable Rights</p> <p>The Chargor declares that to the extent that any right, title, interest or benefit described in paragraph 2.1 (<i>Assignments</i>) cannot be or is not effectively assigned pursuant to paragraph 2.1 (<i>Assignments</i>) for whatever reason, the Chargor shall</p> <p>(a) promptly notify the Security Agent of the same and the reasons therefor,</p> <p>(b) hold the benefit of the same (and any damages, compensation, remuneration, profit, rent or income which the Chargor may derive from that right or be awarded or entitled to in respect of that right) on trust for</p>

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Short particulars	<p>the Security Agent as security for the payment and discharge of the Secured Obligations, and</p> <p>(c) take such steps as the Security Agent may require to remove such impediment to an assignment</p> <p>2 3 Notice of Assignment</p> <p>(a) The Chargor shall promptly upon the execution of the Debenture, give notice of the assignments effected pursuant to this paragraph 2 by sending a Notice of Assignment to.</p> <p>(i) in relation to the Insurances, each of the insurers party to each such Insurance,</p> <p>(ii) in relation to the Assigned Accounts, each bank or other financial institution with which each such Assigned Account is maintained,</p> <p>(iii) in relation to the Material Contracts (excluding the ESA Contract, each debtor or obligor party to each such Material Contract (including any relevant landlord or tenant), and</p> <p>(iv) in relation to Intercompany Indebtedness, each debtor or obligor party to each such Intercompany Indebtedness</p> <p>(b) The terms of the Tripartite Agreement shall govern the assignment of rights effected pursuant to this paragraph 2 with respect to the ESA Contract</p> <p>(c) The Chargor shall use its reasonable endeavours to procure that, as soon as possible after the date the relevant Notice of Assignment is sent out in relation to the Insurances pursuant to sub-paragraph (a)(i) above, the relevant insurer acknowledges the same in the form of the relevant Acknowledgement.</p> <p>(d) The Chargor shall use its reasonable endeavours to procure that, as soon as possible after the date the relevant Notice of Assignment is sent out in relation to the Assigned Accounts pursuant to sub-paragraph (a)(ii) above, the recipient thereof acknowledges the same in the form of the relevant Acknowledgement</p> <p>(e) The Chargor shall use its reasonable endeavours to procure that, as soon as possible after the date the relevant Notice of Assignment is sent out in relation to the Material Contracts pursuant to sub-paragraph (a)(iii)</p>	

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Short particulars	<p>above, the recipient thereof acknowledges the same in the form of the relevant Acknowledgement</p> <p>(f) Upon the occurrence of an Enforcement Event, the Security Agent may serve a notice on any third party bank with which the Chargor holds an Assigned Account notifying it of the occurrence of the Enforcement Event in the form of Part IIC of Schedule 3 (<i>Form of Notice from Security Agent</i>) of the Debenture and requiring it to comply with the terms of the relevant Notice of Assignment</p> <p>2 4 Licence Back of Intellectual Property Rights</p> <p>The Security Agent hereby grants to the Chargor an exclusive, royalty-free licence to use and to have used on its behalf and to sublicense all Intellectual Property Rights assigned under this paragraph 2 4 at any time prior to the Security becoming enforceable in accordance with the provisions of Clause 16 1 (<i>Security Enforceable</i>) of the Debenture</p> <p>3. FLOATING CHARGE</p> <p>3 1 Creation of Floating Charge</p> <p>(a) Subject to paragraph 1 3 (<i>Non-Chargeable Rights and Assets</i>), the Chargor with full title guarantee hereby charges to the Security Agent, to hold the same on trust for the Secured Creditors on the terms set out in the Intercreditor Agreement and the Security Trust Deed, by way of first floating charge and as a continuing security for the payment and discharge of the Secured Obligations all its undertaking and all its property, assets and rights whatsoever and wheresoever both present and future, not effectively charged by way of fixed charge or effectively assigned pursuant to paragraphs 1.1 (<i>Fixed Charge</i>) and 2 (<i>Assignments</i>) or where notice has not been delivered in respect of the assignments in paragraph 2 (<i>Assignments</i>)</p> <p>(b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to this paragraph 3</p> <p>3 2 Conversion of Floating Charge</p> <p>(a) The Security Agent may, by notice to the Chargor, convert the floating charge created under the Debenture with immediate effect into a fixed charge if</p> <p>(i) the Security becomes enforceable in accordance with Clause 16 (<i>Enforcement of Security</i>) of the Debenture,</p>	

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Short particulars

- (ii) the Security Agent in good faith considers any of the Secured Assets to be in danger of being seized or sold under or pursuant to any form of distress, attachment, execution or other legal process or otherwise to be in jeopardy, or
 - (iii) the Security Agent considers such conversion to be necessary or desirable to protect the priority of the Security,
- and such fixed charge shall apply to all assets the subject of the floating charge unless and to the extent that such notice otherwise specifies.
- (b) The floating charge created under the Debenture shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge (without notice) as regards all the assets subject to the floating charge at such time:
- (i) upon the convening of a meeting of the members of the Chargor to consider a resolution to wind up the Chargor;
 - (ii) upon the presentation of a petition to wind up the Chargor or the presentation or making of an application for a warrant of execution, a writ of *fieri facias* or a third party debt order or charging order in respect of any of the Secured Assets the subject of the floating charge under the Debenture; or
 - (iii) upon the issue and notice of distraint by the Inland Revenue or HM Customs and Excise or other competent authority, or upon any steps being taken to distraint for rent against any property of the Chargor,
- provided that nothing in the Debenture shall cause the floating charge to crystallise by reason of the Chargor obtaining or of anything being done with a view to the Chargor obtaining a moratorium under Section 1A of and Schedule A1 to the Insolvency Act 1986
- (c) The giving of notice by the Security Agent pursuant to sub-paragraph (a) above in relation to any of the Secured Assets shall not be construed as a waiver or abandonment of the right of the Security Agent to serve similar notices in respect of any other of the Secured Assets or of any other of the rights of the Secured Creditors (or any of them) under any HYLAS 2 Finance Document

4. FURTHER ASSURANCE

The Chargor shall from time to time and at its own expense, give all such assurances and do all such things as the Security Agent may reasonably require

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6	Short particulars of all the property mortgaged or charged
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Short particulars	<p>to enable the Security Agent to perfect, preserve or protect the Security or the priority of the Security or to exercise any of the rights conferred on the Security Agent or the Secured Creditors by the Debenture or by law and to that intent the Chargor shall execute all such instruments, deeds and agreements, obtain all consents, approvals and other authorisations reasonably necessary to create legally and validly, without any breach of contract or duty, the fixed charges and to effect the assignments envisaged under paragraphs 1 (<i>Charges</i>) and 2 (<i>Assignments</i>) respectively, and shall give all such notices and directions as the Security Agent may reasonably consider expedient The obligations of the Chargor under this Clause are in addition to the covenants for further assurance deemed to be included by virtue of the Law of Property (Miscellaneous Provisions) Act 1994</p> <p>5. CONTINUING AND INDEPENDENT SECURITY</p> <p>The Security shall constitute and be continuing security which shall not be released or discharged by any intermediate payment or settlement of all or any of the Secured Obligations, shall continue in full force and effect until the end of the Security Period and is in addition to and independent of, and shall not prejudice or merge with, any other security (or any right of set-off) which the Security Agent or any other Secured Creditor may hold at any time for the Secured Obligations or any of them</p>

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Short particulars	<p><u>Schedule 2</u></p> <p><u>Definitions</u></p> <p>“Accounting Principles” means international accounting standards within the meaning of the IAS Regulation 1606/2002,</p> <p>“Accession Deed” means a deed executed substantially in the form set out in Schedule 5 (Form of Accession Deed) of the Debenture, with such amendments as the Security Agent may approve or reasonably require,</p> <p>“Account” means any account now or in the future opened or maintained by the Chargor (or to which it is beneficially entitled) with a bank or other financial institution (and any replacement account or subdivision or subaccount of that account), all amounts from time to time standing to the credit of, or accrued or accruing on, such account and all Related Rights,</p> <p>“Acknowledgement” means a duly completed acknowledgement of assignment in the form set out in the relevant Part of Schedule 3 (Forms of Notice and Acknowledgement of Assignment) of the Debenture being</p> <p>(a) Part IB in the case of Insurances,</p> <p>(b) Part IIB in the case of Assigned Accounts or Charged Accounts; and</p> <p>(c) Part IIIB in the case of Material Contracts,</p> <p>“Assigned Account” means</p> <p>(a) each Account identified in Part IV of Schedule 1 (Details of Certain Assets) of the Debenture; and</p> <p>(b) any other Account designated in writing as an “Assigned Account” by the Security Agent and the Parent,</p> <p>“Avanti Licence Report” means the report prepared by the Parent for information purposes only setting out the various Ka-band and Ku-band orbital slot, frequency assignments and spectrum authorisations which the HYLAS 1 Group have or which are in the process of being maintained and filed in favour of a member of the HYLAS 1 Group with the ITU by OFCOM,</p> <p>“Cash Equivalents” means</p> <p>(a) repurchase agreements, negotiable certificates of deposit issued by, and time deposits and similar instruments held with, commercial banks or licensed financial institutions rated at least A- (by S&P) or A3 (by Moody’s),</p>

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Short particulars	<p>(b) banker's acceptances, bills of exchange, promissory notes and other money market instruments issued by commercial banks or licensed financial institutions rated at least A- (by S&P) or A3 (by Moody's), and</p> <p>(c) bonds, treasury bills and other similar debt instruments rated at least A- (or A1) (by S&P) or A3 (or P1) (by Moody's),</p> <p>in each case having a tenor of up to twelve (12) months and denominated in GBP or USD</p> <p>"Charged Accounts" means</p> <p>(a) each Collateral Account held with the Security Agent acting in such capacity; and</p> <p>(b) any other Account maintained by the Chargor with the Security Agent,</p> <p>"COFACE Facility Agent" means Barclays Bank PLC in its capacity as facility agent for the COFACE Facility Lenders under the COFACE Facility Agreement and any successors thereto, and any assigns, replacements, transferees or substitutes thereof or therefor from time to time,</p> <p>"COFACE Facility Agreement" means the term facility agreement dated 27 April 2010 (as amended from time to time) between amongst others the HYLAS 2 Borrower, the Parent, the COFACE Facility Lender and the COFACE Facility Agent,</p> <p>"COFACE Facility Lender" means Barclays Bank PLC in its capacity as original lender under the COFACE Facility Agreement and any successors thereto, and any assigns, replacements, transferees or substitutes thereof or therefor, from time to time,</p> <p>"Collateral Account" means any Account that may from time to time be opened by the Chargor with the Security Agent pursuant to paragraph (a)(iii) of Clause 9.1 (Accounts General) of the Debenture,</p> <p>"Construction Contractor" shall mean Orbital Sciences Corporation or any Replacement Project Counterparty,</p> <p>"Construction Contract" shall mean the Firm Fixed Price Contract for On Ground Delivery dated December 11, 2009 between the HYLAS 2 Borrower and the Construction Contractor</p> <p>"Customer Equipment" means equipment necessary for a customer to receive satellite broadband service (including an antenna and transceiver unit, modem, wiring harness, installation software, mounting hardware, and associated freight costs),</p>

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Short particulars	<p>"Customer Equipment Leases" means any finance or capital leases of Customer Equipment,</p> <p>"Enforcement Event" means the occurrence of the events specified in Clause 16 1 (Security Enforceable) of the Debenture,</p> <p>"ESA" means the European Space Agency,</p> <p>"ESA Contract" means the ESTEC Contract Number 19437/05/NL/US contract dated 26 April 2006 between ESA and Avanti Communications Limited for the part-financing of the HYLAS 1 Satellite,</p> <p>"Ex-Im Bank" means the Export-Import Bank of the United States;</p> <p>"Ex-Im Bank Documentation Agent" means Barclays Bank PLC in its capacity as Ex-Im Bank documentation agent under the Ex-Im Bank Facility Agreement and any successor thereto, and any assigns, replacements, transferees or substitutes thereof or therefor, from time to time;</p> <p>"Ex-Im Bank Facility Agent" means Barclays Bank PLC in its capacity as facility agent under the Ex-Im Bank Facility Agreement and any successor thereto, and any assigns, replacements, transferees or substitutes thereof or therefore, from time to time,</p> <p>"Ex-Im Bank Facility Agreement" means the senior credit agreement dated 18 December 2009 (as amended from time to time) between amongst others, the Parent, the HYLAS 2 Borrower, Ex-Im Bank and the Ex-Im Bank Documentation Agent,</p> <p>"Financial Indebtedness" shall mean any indebtedness for or in respect of</p> <ol style="list-style-type: none"> moneys borrowed, any amount raised by acceptance under any acceptance credit facility, any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease, receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis), any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of

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Short particulars	<p>any derivative transaction, only the marked to market value shall be taken into account),</p> <p>(g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution (excluding any given in respect of (i) trade credit arising in the ordinary course of business and with a tenor not exceeding twelve (12) months, and (ii) performance bonds or letters of credit issued by a bank or financial institution to the HYLAS 2 Borrower's customers or vendors in the ordinary course of the HYLAS 2 Borrower's business, provided that the amount outstanding under such performance bond or letter of credit does not exceed GBP 1,000,000 in aggregate at any one time),</p> <p>(h) any amount raised under a vendor financing arrangement with a tenor exceeding twelve (12) months having the commercial effect of a borrowing (and excluding for the avoidance of doubt the deferred and incentive payments under the Construction Contract),</p> <p>(i) any amount raised by the issue of redeemable shares which are redeemable before the Termination Date,</p> <p>(j) any amount raised under any other transaction not otherwise referred to in this definition (including any forward sale or advance or deferred purchase agreement) having the commercial effect of a borrowing, and</p> <p>(k) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above</p> <p>"Finance Parties" means the Intercreditor Agent, the Ex-Im Bank Documentation Agent, the Ex-Im Bank Facility Agent, the COFACE Facility Agent, the Security Agent and the HYLAS 2 Lenders,</p> <p>"Fixtures" means, in relation to any Real Property, all fixtures and fittings (including trade fixtures and fittings) and fixed plant, machinery and equipment and other items attached to the relevant Real Property whether or not constituting a fixture at law;</p> <p>"HYLAS 1 Contract" means the contract dated 31 March 2006 entered into between Avanti Space Limited and EADS Astrium Limited for the manufacture of the HYLAS 1 Satellite;</p> <p>"HYLAS 1 TTC Contract" means the telemetry, tracking and control contract dated 31 January 2008 and entered into between Avanti Space 3 Limited and Inmarsat Global Limited for the performance and exercise of tracking, telemetry and control of the HYLAS 1 Satellite,</p>	

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Short particulars	<p>“HYLAS 1 Group” means Avanti Communications Infrastructure Limited and each of its Subsidiaries from time to time and the Parent;</p> <p>“HYLAS 1 LMA” means the launch management agreement dated 19 June 2007 between Avanti Space Limited and GIST Space Limited for the provision of technical advice and specialist assistance for the selection, negotiation and management of the launch related services;</p> <p>“HYLAS 1 LSA” means the contract for launch services dated on or about 25 June 2009 entered into by Avanti Launch Services Limited and the Launch Vehicle Agency to perform the Launch (as defined therein) of the HYLAS 1 Satellite,</p> <p>“HYLAS 1 Permitted Disposal” means any sale, lease, licence, transfer or other disposal which (except in the case of paragraph (b) below) is on arm’s length terms</p> <ul style="list-style-type: none"> (a) of trading stock or cash made by any member of the HYLAS 1 Group in the ordinary course of trading of the disposing entity, (b) of any asset by a member of the HYLAS 1 Group (the “Disposing Company”) to another member of the HYLAS 1 Group (the “Acquiring Company”) excluding the Parent, but if <ul style="list-style-type: none"> (i) the Disposing Company is the Chargor (as defined within the Debenture), the Acquiring Company must also be a Chargor (as defined within the Debenture), and (ii) the Disposing Company had given Security over the asset, the Acquiring Company must give equivalent Security over that asset, (c) of assets in exchange for other assets comparable or superior as to type, value or quality, (d) of obsolete or redundant vehicles, plant and equipment for cash; (e) arising as a result of any HYLAS 1 Permitted Security, (f) of Cash Equivalents for cash or in exchange for other Cash Equivalents, (g) of assets (other than shares) for cash or other disposal not allowed under the proceeding paragraphs which do not exceed £50,000 (or its equivalent) in any financial year, <p>“HYLAS 1 Permitted Security” means.</p>	

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Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged	
	Please give the short particulars of the property mortgaged or charged	
Short particulars	<p>(a) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any member of the HYLAS 1 Group,</p> <p>(b) any netting or set-off arrangement entered into by any member of the HYLAS 1 Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the HYLAS 1 Group,</p> <p>(c) any Security or rights of set-off arising from cash-pooling arrangements;</p> <p>(d) any Security or Quasi-Security over or affecting any asset acquired by a member of the HYLAS 1 Group after the date of the Debenture if.</p> <p style="padding-left: 40px;">(i) the Security or Quasi-Security was not created in contemplation of the acquisition of that asset by a member of the HYLAS 1 Group,</p> <p style="padding-left: 40px;">(ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a member of the HYLAS 1 Group, and</p> <p style="padding-left: 40px;">(iii) the Security or Quasi-Security is removed or discharged within three months of the date of acquisition of such asset,</p> <p>(e) any Security or Quasi-Security over or affecting any asset of any company which becomes a member of the HYLAS 1 Group after the date of the Debenture, where the Security or Quasi-Security is created prior to the date on which that company becomes a member of the HYLAS 1 Group if.</p> <p style="padding-left: 40px;">(i) the Security or Quasi-Security was not created in contemplation of the acquisition of that company,</p> <p style="padding-left: 40px;">(ii) the principal amount secured has not increased in contemplation of or since the acquisition of that company, and</p> <p style="padding-left: 40px;">(iii) the Security or Quasi-Security is removed or discharged within three months of that company becoming a member of the HYLAS 1 Group,</p> <p>(f) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the HYLAS 1 Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the HYLAS 1 Group,</p> <p>(g) any Quasi-Security arising as a consequence of any finance, capital or operating leases comprising</p>	

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Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged	
	Please give the short particulars of the property mortgaged or charged.	
Short particulars	<p>(i) finance or capital leases of vehicles, plant, equipment or computers (excluding Customer Equipment Leases, provided that the aggregate capital value of all such items so leased under outstanding leases by members of the HYLAS 1 Group meets the Required Lease Criteria and does not exceed £6,000,000 (or its equivalent in other currencies) at any time, and</p> <p>(ii) Customer Equipment Leases in an aggregate amount at any time not exceeding £750,000, provided that the net present value at any time of Financial Indebtedness of any member of the HYLAS 1 Group represented by such Customer Equipment Leases that is not offset by the net present value of expected revenues by any member of the HYLAS 1 Group under Customer Equipment Leases at that time does not exceed £500,000,</p> <p>(h) any Quasi-Security arising as a result of a disposal which is a HYLAS 1 Permitted Disposal,</p> <p>(i) any Security securing indebtedness the outstanding principal amount of which when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of Security given by any member of the HYLAS 1 Group does not exceed £250,000 (or its equivalent in other currencies),</p> <p>(j) any other Security created with the prior written consent of the Security Agent,</p> <p>"HYLAS 1 Satellite" means the telecommunications spacecraft Ku and Ka band satellite system to be provided to Avanti Space Limited pursuant to the terms of the HYLAS 1 Contract,</p> <p>"HYLAS 2 Borrower" means Avanti HYLAS 2 Limited, a limited liability company incorporated under the laws of England and Wales with registered number 7072502 and with its registered offices situated in 74 Rivington Street, London EC2A 3AY,</p> <p>"HYLAS 2 Facility Agreements" means the Ex-Im Bank Facility Agreement and the COFACE Facility Agreement,</p> <p>"HYLAS 2 Finance Documents" has the meaning given to the term "Finance Documents" in each of the HYLAS 2 Facility Agreements,</p> <p>"HYLAS 2 Lenders" means Ex-Im Bank and the COFACE Facility Lender or any successors thereto, and any assigns, replacements, transferees or substitutes thereof or therefor from time to time;</p> <p>"Insurances" means, in relation to the Chargor, all present and future contracts or policies of insurance of whatever nature (including, without limitation, any launch and</p>	

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Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged	
	Please give the short particulars of the property mortgaged or charged	
Short particulars	<p>in orbit insurance relating to the HYLAS 1 Satellite) in which the Chargor from time to time has an interest,</p> <p>“Intellectual Property Rights” means all patents, trade marks, service marks, designs, design rights, utility models, business names, topographical or similar rights, copyrights, moral rights, database rights, rights in inventions, domain names, computer software, know how, trade secrets and confidential information and other intellectual property rights and any interests (including by way of licence) subsisting anywhere in the world in any of the foregoing (in each case whether registered or not and including all applications for the same) owned by the Chargor;</p> <p>“Intelsat Contract” means the contract dated 20 March 2006 between Intelsat and Avanti Broadband Limited for the provision of satellite communication capacity from the Intelsat satellite network,</p> <p>“Intercreditor Agent” means Barclays Bank PLC acting in its capacity as agent for the HYLAS 2 Lenders, pursuant to the terms of the Intercreditor Agreement, and any successor thereto, and any assigns, replacements or substitutes thereof or therefor, from time to time,</p> <p>“Intercreditor Agreement” means the intercreditor agreement dated on or about the date of the Debenture between, among others, the Parent, the Intercreditor Agent, the HYLAS 2 Lenders, the Ex-Im Bank Facility Agent, the COFACE Facility Agent, the Security Agent, and the Obligors,</p> <p>“Intercompany Indebtedness” means all indebtedness from time to time owing by any member of the HYLAS 1 Group to the Chargor pursuant to an intercompany loan agreement or other debt instrument,</p> <p>“Investments” means</p> <ul style="list-style-type: none"> (a) the Shares and any other shares, stocks, debentures, bonds, notes, commercial paper, certificates of deposit, interests in collective investment schemes and other securities and investments of any kind whatsoever, and (b) all warrants, options or other rights to subscribe for, purchase or otherwise acquire any securities and investments, <p>in each case whether held directly by or to the order of the Chargor or by any custodian, nominee, fiduciary, clearance system or other similar person on its behalf (and all rights against any such person (excluding in each case, any such investment in any Unrestricted Subsidiary)),</p> <p>“Ka Band Licences” means all licences, authorisations, permits, approvals, exemptions, registrations and consents required (including, without limitation, as sub licences thereof or any replacement licences, permits, approvals and consents in</p>	

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Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged	
	Please give the short particulars of the property mortgaged or charged	
Short particulars	<p>substitution therefor) relating to the Ka band orbital slot and spectrum authorisations that the HYLAS 1 Group have or require with respect to the HYLAS 1 Satellite as set out in the Avanti Licence Report and "Ka band Licence" means any of the foregoing,</p> <p>"Ku Band Licences" means all licences, authorisations, permits, approvals, exemptions, registrations and consents required (including, without limitation, as sub licences thereof or any replacement licences, permits, approvals and consents in substitution therefor) relating to the Ku band orbital slot and spectrum authorisations that the HYLAS 1 Group have or require with respect to the HYLAS 1 Satellite as set out in the Avanti Licence Report and "Ku band Licence" means any of the foregoing,</p> <p>"Material Contract" means any contract entered into by the Avanti Communications Infrastructure Limited or any other member of the HYLAS 1 Group with a contract value in excess of £4 million provided however the HYLAS 1 LMA, the HYLAS 1 LSA, the HYLAS 1 TTC Contract, the ESA Contract, the HYLAS 1 Contract and the Intelsat Contract are Material Contracts for this purpose regardless of the contract value,</p> <p>"Moody's" means Moody's Investors Services, Inc and includes any successor to its ratings business</p> <p>"Notice of Assignment" means a duly completed notice of assignment in the form set out in the relevant Part of Schedule 3 (Forms of Notice and Acknowledgement of Assignment) of the Debenture being</p> <p>(a) Part IA, in the case of Insurances,</p> <p>(b) Part IIA, in the case of Assigned Accounts,</p> <p>(c) Part IIIA, in the case of Material Contracts, and</p> <p>(d) Part IV, in the case of Intercompany Indebtedness,</p> <p>or in such other form as may be approved by the Security Agent,</p> <p>"Obligor" means Avanti HYLAS 2 Limited and the Parent,</p> <p>"Original Chargers" means the Parent, Avanti Communications Infrastructure Limited, Avanti Space Limited, Avanti Communications Limited, Avanti Broadband Limited, Avanti Caledonian Broadband Limited, Avanti (NI) Limited, Avanti Broadband (Ire) Limited and Avanti Launch Services Limited,</p> <p>"Parent" means the Avanti Communications Group plc, a limited liability company incorporated under the laws of England with registered number 6133927 and with its registered offices situated at 74 Rivington Street, London EC2A 3AY,</p>	

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Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged
	Please give the short particulars of the property mortgaged or charged
Short particulars	<p>“Quasi-Security” means security whereby any Obligor</p> <ul style="list-style-type: none"> (a) sells, transfers or otherwise disposes of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the HYLAS 1 Group, (b) sells, transfers or otherwise disposes of any of its receivables on recourse terms; (c) enters into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts, or (d) enters into any other preferential arrangement having a similar effect, <p>in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset,</p> <p>“Real Property” means any freehold or leasehold property in England and Wales, and all rights, easements and privileges from time to time attached or appurtenant thereto and all buildings, erections and Fixtures from time to time situated on or forming part of such freehold or leasehold property,</p> <p>“Receiver” means any one or more receivers and/or managers or administrative receivers (whether appointed pursuant to the Debenture or pursuant to any statute, by a court or otherwise) of all or any of the Secured Assets and shall, where permitted by law, include an administrative receiver,</p> <p>“Registered Intellectual Property Rights” means patents, petty patents, utility models, registered trade marks, registered designs and registered copyright, including applications for any of the same in any part of the world;</p> <p>“Related Rights” means, in relation to any asset</p> <ul style="list-style-type: none"> (e) the proceeds of sale of all or any part of that asset; (f) all rights under any licence, agreement for sale or agreement for lease in respect of that asset, (g) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset, and (h) any monies, proceeds or income paid or payable in respect of that asset; <p>“Required Lease Criteria” means Financial Indebtedness which shall</p>

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Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged	
	Please give the short particulars of the property mortgaged or charged	
Short particulars	<p>(a) be used only to finance the ground segment assets and required infrastructure which is necessary for the HYLAS 1 Satellite,</p> <p>(b) be incurred only by a member of the HYLAS 1 Group which is a Chargor (as defined within the Debenture), and</p> <p>(c) be for a minimum term of five (5) years and incur a maximum financing cost of 7.5% per annum over the term of the financing,</p> <p>"Security" means the security created or intended to be created by the Debenture,</p> <p>"Security Agent" means Commerzbank AG, Filiale Luxemburg,</p> <p>"Secured Assets" means all of the assets, rights, title, interests and benefits of the Chargor from time to time the subject of the Security,</p> <p>"Secured Creditors" means each of the Finance Parties and any Receiver appointed under the Debenture and any delegate, agent, attorney or co trustee appointed by the Security Agent under the Security Trust Deed,</p> <p>"Security Trust Deed" means the security trust deed dated on or about the date of the Debenture and made between, amongst others, the Security Agent, the Intercreditor Agent and the HYLAS 2 Lenders,</p> <p>"Shares" means all shares in the capital of any member of the HYLAS 1 Group (other than the Parent) as identified in Part III of Schedule 1 ((Details of Certain Assets) of the Debenture, all shares in the capital of the Subsidiaries of any companies that accede to the Debenture as chargors from time to time by delivery of a duly completed Accession Deed, and any other shares now or in the future legally or beneficially owned by the Chargor and/or any nominee on behalf of any the Chargor (excluding all shares in the Unrestricted Subsidiaries),</p> <p>"Subsidiary" has the meaning given to the term "Subsidiary" in each of the HYLAS 2 Facility Agreements,</p> <p>"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc and includes any successor to its ratings business</p> <p>"Termination Date" means 15 June 2019</p> <p>"Tripartite Agreement" means the agreement dated on or about 23 July 2007 between amongst others the ESA and Avanti Communications Limited and the HYLAS 1 Lenders pursuant to clause 5.2 of the ESA Contract,</p>	

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Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged	
	Please give the short particulars of the property mortgaged or charged	
Short particulars	<p>“Unrestricted Subsidiaries” means the HYLAS 2 Borrower, Avanti Space 2 Limited and Avanti Space 3 Limited and their respective Subsidiaries from time to time and any Additional Unrestricted Subsidiaries</p>	



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 869(5) & (6) of the Companies Act 2006

**COMPANY NO. 6580907
CHARGE NO. 2**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A DEBENTURE DATED 18 AUGUST
2010 AND CREATED BY AVANTI CALEDONIAN BROADBAND
LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME
DUE FROM THE OBLIGORS AND THE COMPANY TO THE
SECURED CREDITORS (OR ANY OF THEM) UNDER THE TERMS
OF THE AFOREMENTIONED INSTRUMENT CREATING OR
EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO
CHAPTER 1 PART 25 OF THE COMPANIES ACT 2006 ON THE 31
AUGUST 2010

GIVEN AT COMPANIES HOUSE, CARDIFF THE 6 SEPTEMBER
2010

P.



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES