

Polaris Acquisition Corp.
Form PRER14A
October 15, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934**

Filed by the Registrant x
Filed by a Party other than the Registrant o
Check the appropriate box:

x Preliminary Proxy Statement
 o **Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
 o Definitive Proxy Statement
 o Definitive Additional Materials
 o Soliciting Material Pursuant to §240.14a-12

POLARIS ACQUISITION CORP.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

o No fee required.
 x Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies: Common stock of Polaris Acquisition Corp.
- (2) Aggregate number of securities to which transaction applies: 74,514,086 shares of common stock of Polaris Acquisition Corp.

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the (3) amount on which the filing fee is calculated and state how it was determined): \$9.45, representing the average of the high and low prices for the common stock of Polaris Acquisition Corp. on August 21, 2008.

- (4) Proposed maximum aggregate value of transaction: \$704,158,113
(5) Total fee paid: \$27,673.41
x Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration No.:

(3) Filing Party:

(4) Date Filed:

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This proxy statement is dated _____, 2008 and is first being mailed to Polaris stockholders on or about _____, 2008.

POLARIS ACQUISITION CORP.
2200 Fletcher Avenue
4th Floor
Fort Lee, New Jersey 07024

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To Be Held on

TO THE STOCKHOLDERS OF POLARIS ACQUISITION CORP.:

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of Polaris Acquisition Corp., a Delaware corporation ("Polaris"), will be held at _____, New York City time, on _____, 2008, at _____ for the following purposes:

1. To consider and vote upon a proposal to approve the merger of HUGHES Telematics, Inc., a Delaware corporation ("HUGHES Telematics") with and into Polaris, with Polaris continuing as the surviving corporation in the merger, pursuant to the Agreement and Plan of Merger, dated as of June 13, 2008 (the "merger agreement"), by and among Polaris, HUGHES Telematics and, for limited purposes, Communications Investors LLC, an affiliate of Apollo Management, L.P., as the escrow representative ("Apollo"), and the transactions contemplated thereby. We refer to this proposal as the "merger proposal" ;

2. To consider and vote upon a proposal to amend Polaris amended and restated certificate of incorporation to (A) change Polaris name from Polaris Acquisition Corp. to _____, (B) increase the number of Polaris authorized shares of common stock from 55,000,000 to 155,000,000 and authorized shares of preferred stock from 1,000,000 to 10,000,000, (C) remove the entirety of Article Fifth and (D) amend certain other ministerial provisions of the certificate of incorporation. We refer to this proposal as the pre-closing certificate amendment proposal ;
3. To consider and vote upon a proposal, effective after the consummation of the merger, to amend Polaris amended and restated certificate of incorporation to (A) remove provisions of Article Third relating to the dissolution and liquidation of Polaris in the event that a business combination is not consummated prior to January 11, 2010, (B) replace (1) the entirety of Article Sixth with a provision providing that Polaris is to have perpetual existence and (2) the entirety of Article Seventh with a provision providing that Polaris reserves the right to amend, alter, change or repeal any provision in Polaris amended and restated certificate of incorporation in the manner now or hereafter prescribed therein and by the laws of the State of Delaware, all of which relate to the operation of Polaris as a blank check company prior to the consummation of a business combination and (C) amend certain other ministerial provisions of the certificate of incorporation. We refer to this proposal as the post-closing certificate amendment proposal ;
4. To consider and vote upon a proposal, if necessary, to authorize the adjournment of the special meeting to a later date or dates to permit further solicitation and vote of proxies in the event there are insufficient votes at the time of the special meeting to approve the merger proposal, the pre-closing certificate amendment proposal or the post-closing certificate amendment proposal. We refer to this proposal as the adjournment proposal ; and
5. To consider and vote upon such other business as may properly come before the special meeting or any adjournment or postponement thereof.

The board of directors of Polaris has fixed the close of business on _____, 2008 as the record date for the determination of stockholders entitled to notice of and to vote at the special meeting and at any adjournment or postponement thereof. Only the holders of record of Polaris common stock on the record date are entitled to have their votes counted at the special meeting and any adjournments or postponements thereof.

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Merger Consideration

The merger agreement provides that all shares of common stock, par value \$0.01 per share, of HUGHES Telematics issued and outstanding immediately prior to the merger and not owned directly by HUGHES Telematics will be exchanged for the right to receive, in the aggregate, 43,895,112 fully paid and non-assessable shares of Polaris common stock, par value \$0.0001 per share. All options exercisable for HUGHES Telematics common stock issued and outstanding immediately prior to the merger will be exchanged for options exercisable for an aggregate of 1,618,981 shares of Polaris common stock. In addition, an aggregate of 27,968,436 Polaris common shares will be issued into escrow and released to the HUGHES Telematics stockholders as merger consideration in three equal tranches contingent upon Polaris common stock meeting specified price targets over the five-year period following the closing of the merger (the earn-out shares). So long as any earn-out shares remain in escrow, the HUGHES Telematics stockholders will be able to vote those earn-out shares without restriction on any matter brought to a vote of the stockholders of the combined company. The first tranche of earn-out shares will be released to the HUGHES Telematics stockholders if the trading price of Polaris common stock equals or exceeds \$20.00 for any 20 trading days within a 30 trading-day period between the first and third anniversaries of the closing of the merger. The second tranche of earn-out shares will be released if the trading price of Polaris common stock equals or exceeds \$24.50 for

any 20 trading days within a 30 trading-day period between the second and fourth anniversaries of the closing of the merger. The final tranche of earn-out shares will be released if the trading price of Polaris common stock equals or exceeds \$30.50 for any 20 trading days within a 30 trading-day period between the third and fifth anniversaries of the closing of the merger. In the event that a share price target is not met in its measurement period but the immediately succeeding share price target is met within the succeeding measurement period, the HUGHES Telematics stockholders will receive the earn-out shares related to both share price targets. If a share price target is not met within its measurement period, and for the first and second tranches, the immediately succeeding share price target is not met within the succeeding measurement period, the earn-out shares related to the missed share price target will be cancelled by Polaris. HUGHES Telematics optionholders will also receive as merger consideration options exercisable for an aggregate of 1,031,557 shares of Polaris common stock, which will be divided into three tranches and will be exercisable, according to their terms, if the trading price of Polaris common stock equals or exceeds the \$20.00, \$24.50 and \$30.50 share price targets, respectively, as specified immediately above (the earn-out options).

The number of shares of Polaris common stock received by HUGHES Telematics stockholders at the closing of the merger will be subject to possible adjustments, including the issuance of up to 7,500,000 additional shares of Polaris common stock for the value of up to \$75.0 million of additional equity raised by HUGHES Telematics prior to the closing of the merger, if any, and the issuance of additional shares of Polaris common stock for a shortfall in the net working capital of Polaris below \$138.0 million at the closing of the merger.

Concurrent with the closing of the merger, 7.5%, or 3,292,137, of the 43,895,112 Polaris common shares to be received by HUGHES Telematics stockholders as merger consideration at the closing of the merger will be placed in escrow as a fund for the payment of indemnification claims that may be made against HUGHES Telematics stockholders as a result of breaches of HUGHES Telematics covenants, representations or warranties in the merger agreement and other transaction documents. Similarly, 7.5% of each tranche of escrowed earn-out shares, or 2,097,630 of the 27,968,436 earn-out shares in the aggregate, may be used to fund the payment of such indemnification claims. The HUGHES Telematics stockholders will be able to vote these escrowed shares without restriction.

We expect that the HUGHES Telematics stockholders will own approximately 70% of the outstanding shares of Polaris common stock immediately following the consummation of the merger (not including the earn-out shares held in escrow), based on the number of shares of Polaris common stock outstanding as of , 2008, and assuming (1) no issuances of additional shares of Polaris common stock to HUGHES Telematics stockholders to account for the net proceeds received by HUGHES Telematics for equity issued prior to the mailing of this proxy statement, (2) no issuances of additional shares of Polaris common stock to HUGHES Telematics stockholders to account for a shortfall in the net working capital of Polaris, (3) no election of conversion of shares by Polaris stockholders (as discussed below) and (4) no exercise of warrants

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by Polaris stockholders. The ownership percentages of HUGHES Telematics stockholders will increase to the extent that earn-out shares are released to HUGHES Telematics stockholders as a result of the Polaris common stock meeting specified price targets over the five-year period following the closing of the merger.

Conversion Rights

Each Polaris stockholder, other than Polaris officers, directors and initial stockholders (collectively, the initial stockholders), who holds shares of common stock issued in Polaris initial public offering (whether such shares were acquired pursuant to such initial public offering or afterwards) (the public stockholders) has the right to vote against

the merger proposal and, at the same time, elect that Polaris convert such stockholder's shares, which we refer to as the conversion election shares, for cash equal to a pro rata portion of the funds held in Polaris' trust account. However, if the holders of 4,500,000 or more shares of Polaris common stock issued in Polaris' initial public offering, an amount equal to 30% or more of the total number of shares issued in Polaris' initial public offering, vote against the merger and properly elect conversion of their shares for a pro rata portion of the funds held in the trust account, then Polaris will not be able to consummate the merger, regardless of whether a majority of the shares of Polaris common stock (a) voted by the public stockholders present and entitled to vote at the special meeting in person or by proxy and (b) outstanding as of the record date, vote in favor of the merger proposal. Based on the amount of cash held in the trust account as of _____, 2008, without taking into account any interest accrued after such date, a stockholder who votes against the merger proposal and properly elects to convert its shares will be entitled to convert shares of Polaris common stock that it holds for approximately \$ _____ per share. If the merger is not completed, then the conversion election shares will not be converted for cash, even if a stockholder who voted against the merger properly elected conversion. Polaris will have sufficient funds in the trust account to pay the conversion price for the conversion election shares, even if it must convert up to but less than 30% of the shares of common stock issued in Polaris' initial public offering. Prior to exercising conversion rights, Polaris stockholders should verify the market price of Polaris common stock, as they may receive higher proceeds from the sale of their common stock in the public market than from exercising their conversion rights. Shares of Polaris common stock are quoted on the American Stock Exchange under the symbol TKP. On _____, 2008, the last sale price of Polaris common stock was \$ _____.

Required Vote to Approve the Proposals

The affirmative vote of a majority of the shares of Polaris common stock (a) voted by the public stockholders present and entitled to vote at the special meeting in person or by proxy and (b) outstanding as of the record date, is required to approve the merger proposal, provided that the holders of less than 30% of the shares of Polaris common stock that were issued in our initial public offering vote against the merger proposal and properly elect to convert their shares into a pro rata portion of the funds held in Polaris' trust account. Polaris' initial stockholders have agreed to vote all of their shares of Polaris common stock acquired prior to the initial public offering in accordance with the vote of the majority in interest of all other Polaris stockholders on the merger proposal. As of the date hereof, the Polaris' initial stockholders hold in the aggregate 3,750,000 shares of Polaris common stock, which represents 20% of the outstanding shares of Polaris common stock.

Assuming the merger proposal is approved by Polaris stockholders, the affirmative vote of a majority of the shares of Polaris common stock outstanding as of the record date is required to approve the pre-closing certificate amendment proposal and the post-closing certificate amendment proposal.

Each of the merger proposal, the pre-closing certificate amendment proposal and the post-closing certificate amendment proposal are conditioned upon the approval of the other proposals other than the adjournment proposal, and, in the event one or more of those proposals does not receive the necessary vote to approve that proposal, the remaining proposals, other than the adjournment proposal, will not be presented at the special meeting for approval. It is a condition to the closing of the merger for both Polaris and HUGHES Telematics under the merger agreement that each of the merger proposal, the pre-closing certificate amendment proposal and the post-closing certificate amendment proposal is approved by Polaris stockholders.

We will not transact any other business at the special meeting, except for business properly brought before the special meeting, or any adjournment or postponement thereof, by our board of directors.

Voting

Your vote is important. Whether you plan to attend the special meeting or not, please sign, date and return your proxy card as soon as possible to make sure that your shares are represented at the special meeting. If you are a stockholder of record of Polaris common stock, you may also cast your vote in person at the special meeting. If your shares are held in an account at a brokerage firm or bank, you must instruct your broker or bank on how to vote your shares. If you return your proxy card without an indication of how you wish to vote, it will be voted **FOR** each of the proposals and you will not be eligible to have your shares converted into a pro rata portion of the funds in our trust account. If you abstain from voting on the merger proposal, the pre-closing certificate amendment proposal or the post-closing certificate amendment proposal, or you do not instruct your broker on how to vote your shares on those proposals, the abstention or broker non-vote will have the same effect as a vote **against** each such proposal. To properly exercise your conversion rights, you must affirmatively vote against the merger proposal and your bank or broker must, by 5:00 p.m., New York City time, on _____, 2008, the business day prior to the special meeting, electronically transfer your shares to the Depository Trust Company (**DTC**) account of Continental Stock Transfer & Trust Company, our stock transfer agent, and provide Continental Stock Transfer & Trust Company with the necessary stock powers, written instructions that you want to convert your shares and a written certificate addressed to Continental Stock Transfer & Trust Company stating that you were the owner of such shares as of the record date, you have owned such shares since the record date and you will continue to own such shares through the closing of the merger.

Our warrant holders are not entitled to voting rights with respect to their warrants at the special meeting.

Recommendations of the Board of Directors of Polaris

After careful consideration, Polaris board of directors has determined that the merger proposal and the other proposals are fair and in the best interests of Polaris stockholders.

The board of directors of Polaris unanimously recommends that you vote **FOR the merger proposal, the pre-closing certificate amendment proposal, the post-closing certificate amendment proposal and, if necessary, the adjournment proposal.**

When you consider the recommendation of Polaris board of directors, you should keep in mind that certain of Polaris directors and officers have interests in the merger, which are described in the accompanying proxy statement, that are different from, or in addition to, your interests as a stockholder.

Thank you for your participation. We look forward to your continued support.

By Order of the Board of Directors,

Marc V. Byron
Chairman of the Board and Chief Executive Officer

, 2008

Neither the Securities and Exchange Commission nor any state securities commission has determined if this proxy statement is truthful or complete. Any representation to the contrary is a criminal offense.

SEE THE SECTION ENTITLED **RISK FACTORS IN THIS PROXY STATEMENT FOR A DISCUSSION OF VARIOUS FACTORS THAT YOU SHOULD CONSIDER IN CONNECTION WITH THE MERGER.**

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POLARIS ACQUISITION CORP.

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**SUMMARY OF THE MATERIAL TERMS OF THE
MERGER**

The parties to the merger agreement are Polaris, HUGHES Telematics and, for limited purposes, Apollo. See the section entitled *The Merger Proposal*.

HUGHES Telematics is a privately-owned automotive telematics services company that currently provides and is developing a suite of real-time automotive services and applications. See the section entitled *Business of HUGHES Telematics*.

At the closing of the merger, HUGHES Telematics will merge with and into Polaris, with Polaris continuing as the surviving corporation. See the section entitled *The Merger Proposal*.

In exchange for all of their common stock and options exercisable for common stock of HUGHES Telematics, the HUGHES Telematics stockholders will receive from Polaris, at the closing of the merger, an aggregate of 43,895,112 shares of Polaris common stock and the HUGHES Telematics optionholders will receive options exercisable for an aggregate of 1,618,981 shares of Polaris common stock, subject to certain adjustments. In addition, an aggregate of 27,968,436 earn-out shares will be issued into escrow and released to the HUGHES Telematics stockholders and earn-out options exercisable for an aggregate of 1,031,557 shares of Polaris common stock will be eligible to be exercised, according to their terms, by the HUGHES Telematics optionholders, each in three equal tranches, upon the trading share price of Polaris common stock reaching at least \$20.00, \$24.50 and \$30.50 within certain measurement periods over the five-year period following the closing of the merger. Not including the earn-out shares, the merger consideration has an aggregate value of approximately \$416.5 million based on the closing price of Polaris common stock on June 13, 2008, the last trading day before the announcement of the proposed merger, and \$376.0 million based on the closing price of Polaris common stock on October 14, 2008. See the section entitled *The Merger Agreement Merger Consideration*.

Any Polaris public stockholder who votes against the merger may, at the same time, elect that Polaris convert such stockholder's shares for a pro rata portion of the funds held in the trust account. If you seek to exercise this conversion right, you must submit your vote against approval of the merger and, by 5:00 p.m., New York City time, on _____, 2008, the business day prior to the special meeting your bank or broker must electronically transfer your shares and provide certain instructions and a certificate to Continental Stock Transfer & Trust Company, our stock transfer agent. See the section entitled *The Special Meeting Conversion Rights*.

As a result of the merger and assuming that no Polaris stockholders properly elect that Polaris convert their shares into cash as permitted by Polaris' amended and restated certificate of incorporation, immediately after the closing of the merger, the stockholders of HUGHES Telematics will own approximately 70% of the outstanding Polaris common stock and Apollo will own approximately 59% of the outstanding Polaris common stock, in each case not including the earn-out shares held in escrow. If 29.99% of Polaris public stockholders properly elect that Polaris convert their shares into cash, then immediately after the closing of the merger the stockholders of HUGHES Telematics will own approximately 75% of the outstanding Polaris common stock and Apollo will own approximately 64% of the outstanding Polaris common stock. Including the earn-out shares held in escrow and assuming that none of Polaris public stockholders properly elect that Polaris convert their shares into cash, the stockholders of HUGHES Telematics and Apollo will hold approximately 79% and 67%, respectively, of Polaris' voting power. Including the earn-out shares held in escrow and assuming that 29.99% of Polaris public stockholders properly elect that Polaris convert their shares to cash, the stockholders of HUGHES Telematics and Apollo will hold approximately 83% and 70%, respectively, of Polaris' voting power. The percentage ownership held by HUGHES Telematics securityholders will be increased and that of Polaris' stockholders will be decreased upon (1) release to the HUGHES Telematics stockholders of any earn-out shares (2) the exercise of options by HUGHES Telematics optionholders, assuming vesting and other conditions to exercise are met, (3) the issuance of additional shares of Polaris common stock at the closing of the merger for the value of up to \$75.0 million of additional equity raised by HUGHES Telematics prior to the closing, if any, and (4) the issuance of additional shares of Polaris common stock for any shortfall in the net working capital of Polaris below \$138.0 million at the closing of the merger. See the section entitled *The Merger Agreement Merger Consideration*.

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At the closing of the merger, 5,389,767 shares, or 7.5% of the Polaris common stock to be issued to HUGHES Telematics stockholders, will be placed in escrow as a fund for the payment of indemnification claims that may be made by Polaris stockholders as a result of breaches of HUGHES Telematics covenants, representations or warranties in the merger agreement. If required for indemnification, the right to these shares will be foregone or forfeited by all HUGHES Telematics stockholders, pro rata in accordance with their ownership. See the section entitled The Merger Agreement Indemnification.

In addition to voting on the merger, the stockholders of Polaris will vote on proposals to change its name to _____, to increase the number of authorized shares of common stock to 155,000,000 from 55,000,000 and to amend its charter to delete certain provisions that will no longer be applicable after the merger. See the sections entitled The Pre-Closing Certificate Amendment Proposal and The Post-Closing Certificate Amendment Proposal.

As a condition to the closing of the merger, a majority of HUGHES Telematics stockholders will agree not to transfer any shares of Polaris common stock, including shares of Polaris common stock underlying stock options, issued to them in the merger for a period of two years after the closing of the merger, with certain limited exceptions for private transfers (e.g., to family members) where the transferee agrees to be bound by the terms of the lock-up. Additionally, those HUGHES Telematics stockholders will agree not to transfer any earn-out shares of Polaris common stock, including shares of Polaris common stock underlying earn-out options, issued to them in the merger and placed in escrow until the earlier of (i) one year following any of the three possible distributions of these securities from escrow, which will occur only if the price of Polaris common stock equals or exceeds certain share price targets, with respect to the securities released in each applicable distribution or (ii) the end of the measurement period during which the applicable share price target for each distribution was achieved with respect to the securities that were distributed. See the section entitled Agreements Related to the Merger Shareholders Agreement.

After the merger, the board of directors of Polaris will be expanded to nine members, and the initial directors will include (i) Jeffrey A. Leddy, Andrew D. Africk, Matthew H. Nord, _____, _____ and _____, or such other persons designated by Apollo prior to the closing of the merger (at least one of whom must be considered independent under the rules of the American Stock Exchange and the NASDAQ Stock Market (NASDAQ)), (ii) Marc V. Byron, or such other person designated by the board of directors of Polaris prior to the closing of the merger who is reasonably acceptable to Apollo and (iii) _____ and _____, or such other persons mutually designated by Polaris board of directors and Apollo, each of whom the board of directors of Polaris has determined to be independent under the rules of the American Stock Exchange and NASDAQ. Because Apollo will beneficially own more than 50% of Polaris common stock following the merger, we will operate as a controlled company under applicable rules of both the American Stock Exchange and the NASDAQ. See the section entitled Agreements Related to the Merger Shareholders Agreement.

Polaris current directors and officers have interests in the merger that are different from, or in addition to, your interests as a stockholder. Because Polaris directors and officers acquired shares of Polaris common stock prior to its initial public offering at a price per share of \$0.006, they will therefore likely benefit from the merger even if the merger causes the market price of Polaris securities to significantly decrease. If the merger is not approved and Polaris fails to consummate a qualifying, alternative transaction by January 11, 2010, the shares of common stock issued prior to Polaris initial public offering and warrants held by Polaris directors and officers will be worthless because they are not entitled to receive any of the net proceeds of Polaris initial public offering that may be distributed upon liquidation of Polaris (except with respect to shares purchased in the open market). Further, if Polaris remaining assets outside of the trust account are insufficient to pay the costs of liquidation, Marc V. Byron and Lowell D. Kraff have agreed to advance Polaris the funds necessary to complete such liquidation and not to seek repayment for such expenses. Finally, while our directors and officers may be reimbursed for any out-of-pocket expenses incurred by them in connection with certain activities on our behalf, such reimbursements are capped at an aggregate of \$1.8 million if a business combination is not consummated. See the section entitled Risk Factors Risks Related to the Merger with HUGHES Telematics.

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QUESTIONS AND ANSWERS ABOUT THE PROPOSALS

In this proxy statement, the term HUGHES Telematics refers to HUGHES Telematics, Inc. The terms Polaris, the Company, we, us and our refer to Polaris Acquisition Corp.

Q. Why am I receiving this proxy statement?

A. Polaris and HUGHES Telematics have agreed to merge, with Polaris as the surviving corporation. Under the terms of the merger agreement, in exchange for all of their common stock and options exercisable for common stock of HUGHES Telematics, the HUGHES Telematics stockholders will receive from Polaris, at the closing of the merger, an aggregate of 43,895,112 shares of Polaris common stock and the HUGHES Telematics optionholders will receive options exercisable for an aggregate of 1,618,981 shares of Polaris common stock, subject to certain adjustments. In addition, an aggregate of 27,968,436 earn-out shares will be issued into escrow and released to the HUGHES Telematics stockholders and earn-out options exercisable for an aggregate of 1,031,557 shares of Polaris common stock will be eligible to be exercised, according to their terms, by the HUGHES Telematics optionholders, each in three equal tranches, upon the trading share price of Polaris common stock reaching at least \$20.00, \$24.50 and \$30.50 within certain measurement periods over the five-year period following the closing of the merger. In order to complete the merger, (1) a majority of the shares of Polaris common stock (a) voted by the public stockholders present at the special meeting in person or by proxy and (b) outstanding as of the record date, must be voted for the merger proposal, (2) less than 30% of the shares of Polaris common stock issued in our initial public offering must be voted against the merger proposal and be properly elected for conversion and (3) the Polaris stockholders must approve the other proposals as described below.

Q. What is being voted on?

A. You are being asked to vote on four proposals.

The first proposal is to approve the merger of Polaris and HUGHES Telematics pursuant to the terms of the merger agreement.

The second proposal is to amend Polaris amended and restated certificate of incorporation to (A) change Polaris name from Polaris Acquisition Corp. to , (B) increase the number of Polaris authorized shares of common stock from 55,000,000 to 155,000,000 and authorized shares of preferred stock from 1,000,000 to 10,000,000, (C) remove the entirety of Article Fifth and (D) amend certain ministerial provisions of the certificate of incorporation. The third proposal is to amend Polaris amended and restated certificate of incorporation post-closing to remove provisions relating to the dissolution and liquidation of Polaris in the event that a business combination is not consummated prior to January 11, 2010, to provide that Polaris is to have perpetual existence and to amend certain ministerial provisions of the certificate of incorporation.

The fourth proposal is to approve the adjournment of the special meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies in the event there are insufficient votes at the time of the special meeting to approve the merger proposal, the pre-closing certificate amendment proposal or the post-closing certificate amendment proposal.

A form of Polaris restated certificate of incorporation, as it would appear if the pre-closing certificate amendment proposal (with deletions denoted by italics and strikeouts and insertions denoted by italics and underlines) and the post-closing certificate amendment proposal (with deletions denoted by bold italics and strikeouts and insertions denoted by bold italics and underlines) are both effected, is attached as Annex B. Each of the merger proposal, the pre-closing certificate amendment proposal and the post-closing certificate amendment proposal is conditioned upon the approval of the other proposals, other than the adjournment proposal, and in the event one or more of those proposals does not receive the necessary vote to approve that proposal or proposals, then the remaining proposals, other than the adjournment proposal, will not be presented at the special meeting for adoption.

You are invited to attend the special meeting to vote on the proposals described in this proxy statement.

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However, you do not need to attend the special meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card. Your vote is important. Polaris encourages you to vote as soon as possible after carefully reviewing this proxy statement.

This proxy statement provides you with detailed information about the merger proposal, the pre-closing certificate amendment proposal, the post-closing certificate amendment proposal and the adjournment proposal and the special meeting of stockholders. We encourage you to carefully read this entire document, including the attached annexes. **YOU SHOULD ALSO CAREFULLY CONSIDER THOSE FACTORS DESCRIBED UNDER THE SECTION ENTITLED RISK FACTORS.**

Q. Why is Polaris proposing the merger?

Polaris is a blank check company organized for the purpose of acquiring an operating business through a merger, capital stock exchange, asset acquisition or other similar business combination. Polaris has been in search of a business combination partner since its initial public offering occurred in January 2008. Polaris' board of directors A. believes that HUGHES Telematics presents a unique opportunity for Polaris because of its strategic position, anticipated growth and experienced management team, among other factors. As a result, Polaris believes that the merger with HUGHES Telematics will provide Polaris stockholders with an opportunity to participate in a company at an early stage of its growth and development.

Q. What vote is required in order to approve the merger proposal?

The approval of the merger between HUGHES Telematics and Polaris will require the affirmative vote of a majority of the shares of Polaris common stock (a) voted by Polaris' public stockholders present at the special meeting in person or by proxy and (b) outstanding as of the record date. The affirmative vote of a majority of the A. shares of Polaris common stock voted by the public stockholders present at the special meeting in person or by proxy and entitled to vote thereon is a requirement of our certificate of incorporation. The affirmative vote of a majority of the shares of Polaris common stock outstanding as of the record date is a requirement of the Delaware General Corporation Law (DGCL).

In addition, each of Polaris' public stockholders has the right to vote against the merger proposal and elect that Polaris convert such stockholder's shares, which we refer to as conversion election shares, for cash equal to a pro rata portion of the funds held in Polaris' trust account, including interest, in which a substantial portion of the net proceeds of Polaris' initial public offering is deposited. Stockholders who seek to exercise this conversion right must submit their vote against approval of the merger proposal and follow the proper procedures to elect conversion of their shares. Based on the amount of cash held in the trust account as of _____, 2008, without taking into account any interest accrued after such date, a stockholder who votes against the merger proposal and properly elects to convert its shares will be entitled to convert shares of Polaris common stock that it holds for approximately \$ _____ per share. These shares will be converted for cash only if the merger is completed.

However, if the holders of 4,500,000 or more shares of Polaris common stock issued in its initial public offering, an amount equal to 30% or more of the total number of shares issued in its initial public offering, vote against the merger and properly elect conversion of their shares for a pro rata portion of the trust account, then Polaris will not be able to consummate the merger, regardless of whether a majority of the shares of Polaris common stock (a) voted by the public stockholders present and entitled to vote at the special meeting in person or by proxy and (b) outstanding as of the record date vote in favor of the merger proposal. If the merger is not completed, then conversion election shares will not be converted into cash, even if a stockholder who voted against the merger elected conversion. If you elect conversion of your shares, your bank or broker must, by 5:00 p.m., New York City time, on _____, 2008, the business day prior to the special meeting, electronically transfer your shares to the DTC account of Continental Stock Transfer & Trust Company, our stock transfer agent, and provide Continental Stock Transfer & Trust Company with the necessary stock powers, written instructions that you want to convert your shares and a written certificate addressed to Continental Stock Transfer & Trust Company stating that you were the owner of such shares as of the record date, you have owned such shares since the record date and you will continue to own such shares through the closing of the merger.

If you Abstain from voting on the merger proposal, the abstention will have the same effect as a vote

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AGAINST the merger proposal. Similarly, if you do not give instructions to your broker on how to vote your shares, the broker non-vote will have the same effect as a vote AGAINST the merger proposal. If fewer than a majority of the shares of Polaris common stock (a) voted by the public stockholders present in person or by proxy at the special meeting, or (b) outstanding as of the record date are voted for the merger proposal, or if the holders of an aggregate of 30% or more of the shares issued in Polaris initial public offering vote against the merger proposal and properly elect to convert their shares into a pro rata portion of the funds held in our trust account, none of the other proposals will be presented for approval, other than the adjournment proposal.

Polaris initial stockholders have agreed to vote all of their shares of Polaris common stock acquired prior to the initial public offering in accordance with the vote of the majority in interest of all other Polaris stockholders on the merger proposal. As of the date hereof, the Polaris initial stockholders hold in the aggregate 3,750,000 shares of Polaris common stock, which represents 20% of the outstanding shares of Polaris common stock. Polaris initial stockholders have also agreed to vote any shares of Polaris common stock purchased in Polaris initial public offering or in the aftermarket in favor of the merger proposal, and these votes will be counted as votes of Polaris public stockholders. Polaris initial stockholders did not purchase any shares in the initial public offering, nor have they acquired any shares in the aftermarket as of , 2008.

Q. What vote is required in order to approve the pre-closing certificate amendment proposal?

The approval of the pre-closing certificate amendment proposal will require the affirmative vote of a majority of the shares of Polaris common stock issued and outstanding as of the record date. If you Abstain from voting on the pre-closing certificate amendment proposal, the abstention will have the same effect as a vote AGAINST the A. pre-closing certificate amendment proposal. Similarly, if you do not give instructions to your broker on how to vote your shares, the broker non-vote will have the same effect as a vote AGAINST the pre-closing certificate amendment proposal. Approval of the pre-closing certificate amendment proposal is conditioned upon the approval of the merger proposal and the post-closing certificate amendment proposal.

Q. What vote is required in order to approve the post-closing certificate amendment proposal?

The approval of the post-closing certificate amendment proposal will require the affirmative vote of a majority of the shares of Polaris common stock issued and outstanding as of the record date. If you Abstain from voting on the post-closing certificate amendment proposal, the abstention will have the same effect as a vote AGAINST the A. post-closing certificate amendment proposal. Similarly, if you do not give instructions to your broker on how to vote your shares, the broker non-vote will have the same effect as a vote AGAINST the post-closing certificate amendment proposal. Approval of the post-closing certificate amendment proposal is conditioned upon the approval of the merger proposal and the pre-closing certificate amendment proposal.

Q. What vote is required in order to approve the adjournment proposal?

The approval of the adjournment proposal will require the affirmative vote of a majority of the shares of Polaris A. common stock represented in person or by proxy and entitled to vote thereon at the special meeting. If you Abstain from voting on this proposal, this abstention will have no effect on the outcome.

Q. Did Polaris board of directors make a determination as to the value of HUGHES Telematics?

While they did not identify a specific value for HUGHES Telematics, Polaris directors determined that the fair A. market value of HUGHES Telematics is in excess of 80% of the balance of Polaris trust account (excluding deferred underwriting discounts and commissions and taxes payable).

Q. Did Polaris board of directors obtain any opinions in connection with its approval of the merger agreement?

A. Yes. Polaris board of directors obtained from Duff & Phelps, LLC (Duff & Phelps) (i) an opinion that the fair market value of HUGHES Telematics is in excess of 80% of the balance of Polaris trust account

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(excluding deferred underwriting discounts and commissions and taxes payable) and (ii) a fairness opinion. The

details of each opinion are described below, under The Merger Proposal Duff & Phelps Opinion.

Q. If I am not going to attend the special meeting of stockholders in person, should I return my proxy card instead?

Yes. After carefully reading and considering the information contained in this proxy statement, please complete and A. sign your proxy card. Then return the enclosed proxy card in the return envelope provided as soon as possible, so that your shares may be represented at the special meeting.

Q. Does Polaris board of directors recommend voting for the approval of the merger proposal, the pre-closing certificate amendment proposal, the post-closing certificate amendment proposal and the adjournment proposal?

Yes. After careful consideration of the terms and conditions of the merger proposal, the pre-closing certificate amendment proposal, the post-closing certificate amendment proposal and the adjournment proposal, Polaris board of directors has determined that each of these proposals is in the best interests of Polaris and its stockholders.

A. Polaris board of directors unanimously recommends that Polaris stockholders vote FOR each of these proposals. Note that the members of Polaris board of directors may have interests in the merger that are different from, or in addition to, your interests as a stockholder. For a description of such interests, see the section entitled The Merger Proposal Interests of Polaris Directors and Officers in the Merger.

Q. Can I change my vote after I have mailed my signed proxy?

Yes. You can revoke your proxy at any time prior to the final vote at the special meeting. If you are the record holder of your shares, you may revoke your proxy in any one of three ways: (i) you may submit another properly A. completed proxy card with a later date; (ii) you may send a written notice that you are revoking your proxy to Jerry Stone, Polaris Vice President at the address listed at the end of this section or (iii) you may attend the special meeting and vote in person. Simply attending the special meeting will not, by itself, revoke your proxy.

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

Q. If my shares are held in street name by my broker, will my broker vote my shares for me?

If your broker holds your shares in its name and you do not give the broker voting instructions, under the applicable stock exchange rules, your broker may not vote your shares on the merger proposal, the pre-closing certificate amendment proposal or the post-closing certificate amendment proposal. If you do not give your broker voting A. instructions and the broker does not vote your shares, this is referred to as a broker non-vote. Broker non-votes, if any, are counted for purposes of determining the presence of a quorum and will have the same effect as votes AGAINST the merger proposal, the pre-closing certificate amendment proposal and the post-closing certificate amendment proposal, but will not be counted toward the vote total for the adjournment proposal.

Q. Will I receive anything in the merger?

A. You will receive nothing in the merger (unless you properly elect to exercise your conversion rights, as described below). You will continue to hold the Polaris units, common stock and warrants that you currently own.

Q. Do I have conversion rights in connection with the merger?

If you are a Polaris public stockholder, then you have the right to vote against the merger proposal and elect that Polaris convert your shares of common stock for a pro rata portion of the funds held in the trust account in which a A. substantial portion of the net proceeds of its initial public offering are held, calculated as of two business days prior to the consummation of the merger. As of , 2008, without taking into account any interest accrued after such date, the trust account contained

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approximately \$, or \$ per share. These rights to vote against the merger and elect conversion of your shares for a pro rata portion of the trust account, calculated as of two business days prior to the consummation of the merger, are referred to in this proxy statement as conversion rights, and each share of common stock as to which such election is made is referred to as a conversion election share.

Q. How do I exercise my conversion rights?

A. If you wish to exercise your conversion rights, you must vote against the merger proposal and properly elect that Polaris convert your shares for cash prior to the vote on the merger proposal at the special meeting (or any adjournment or postponement thereof). If you do not affirmatively vote against the merger proposal, you will not be

able to exercise your conversion rights. If you exercise your conversion rights, then you will be irrevocably exchanging your shares of common stock for cash and will no longer own those shares of common stock. Polaris will have sufficient funds in the trust account to pay the conversion price for the conversion election shares, even if it must convert up to but less than 30% of the shares of common stock issued in Polaris' initial public offering. All of our public shares are held in street name. Accordingly, your bank or broker must, by 5:00 p.m., New York City time, on _____, 2008, the business day prior to the special meeting, electronically transfer your shares to the DTC account of Continental Stock Transfer & Trust Company, our stock transfer agent, and provide Continental Stock Transfer & Trust Company with the necessary stock powers, written instructions that you want to convert your shares and a written certificate addressed to Continental Stock Transfer & Trust Company stating that you were the owner of such shares as of the record date, you have owned such shares since the record date and you will continue to own such shares through the closing of the merger. If your bank or broker does not provide each of these documents to Continental Stock Transfer & Trust Company, 17 Battery Place, New York, New York 10004, attn: Mark Zimkind, tel. (212) 845-3287, fax (212) 616-7616 by 5:00 p.m., New York City time, on _____, 2008, the business day prior to the special meeting, your shares will not be converted. There is a nominal cost associated with this delivery process and the act of certificating the shares or electronically delivering them through the DTC's system. The transfer agent will typically charge the tendering broker \$45, and the broker may or may not pass this cost on to you. If you elect conversion of your shares and later decide that you do not want to convert such shares, your bank or broker must make arrangements with Continental Stock Transfer & Trust Company, at the telephone number stated above, to withdraw the conversion. To be effective, withdrawals of shares previously submitted for conversion must be completed prior to the commencement of the special meeting. Continental Stock Transfer & Trust Company can assist with this process. We urge stockholders who may wish to exercise their conversion rights to promptly contact the account executive at the organization holding their account to accomplish these additional procedures. If such stockholders fail to act promptly, they may be unable to timely satisfy the conversion requirements.

Q. What happens to the Polaris warrants I hold if I vote against approval of the merger proposal and exercise my conversion rights?

A. Properly exercising your conversion rights does not result in either the conversion or loss of your warrants. Your warrants will continue to be outstanding following the merger and the conversion of your Polaris common stock.

Q. What if I object to the proposed merger? Do I have appraisal or dissenters' rights?

A. No appraisal or dissenters' rights are available under the Delaware General Corporation Law, which we refer to as the DGCL, for the stockholders of Polaris in connection with the merger proposal.

Q. What happens to the funds deposited in the trust account after consummation of the merger?

A. Upon completion of the merger, Polaris stockholders who voted against the merger proposal and properly elected to exercise their conversion rights will receive their pro rata portion of the funds held in the trust account (net of taxes payable on the interest earned thereon and \$_____ of interest earned on the trust

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account that has been released to Polaris as of _____, 2008), calculated as of the date that is two business days prior to the completion of the merger. The balance of the funds in the trust account will be released to Polaris to enable it to pay the deferred underwriting discounts and commissions from its initial public offering and expenses associated with its operations and this transaction. Remaining amounts will be used to finance the operations of HUGHES Telematics after the transaction is consummated.

Q. What happens if the merger proposal, the pre-closing certificate amendment proposal and the post-closing certificate amendment proposal do not receive the necessary votes for approval?

A. If any of the merger proposal, pre-closing certificate amendment proposal or the post-closing certificate amendment proposal do not receive the necessary votes for approval, then the remaining proposals, other than the adjournment proposal, will not be presented at the special meeting for approval, and if the adjournment proposal is approved the special meeting will be adjourned to a later date or dates to permit further solicitation and vote of proxies.

Q. What happens if, even after adjournment, the merger is not consummated?

If the merger is not consummated even after adjournment, Polaris' certificate of incorporation will not be amended and Polaris will continue to search for a target business to acquire. However, Polaris will be liquidated if it does not consummate a business combination by January 11, 2010. If Polaris is unable to consummate an initial business combination and is liquidated and it expends all of the net proceeds of its initial public offering, other than the proceeds deposited in the trust account, and without taking into account interest, if any, earned on the trust account, net of income taxes payable on such interest and net of up to \$1.8 million in interest income on the trust account balance that may be released to it to fund working capital requirements, the initial per-share liquidation price would be \$, or \$ less than the per-unit offering price of \$10.00. We cannot assure you that the actual per share liquidation price will not be less than \$. Furthermore, the outstanding warrants are not entitled to participate in a liquidating distribution and the warrants will therefore expire and become worthless if Polaris dissolves and liquidates before completing a business combination. Holders of Polaris common stock acquired prior to the initial public offering have waived any right to any liquidation distribution with respect to those shares.

A.

Q. If the merger is completed, what will happen to the Polaris common stock, units and warrants?

The merger will have no effect on the Polaris common stock, units and warrants currently outstanding, except that (1) Polaris expects that they will trade on either the NASDAQ Global Market or the NASDAQ Capital Market instead of the American Stock Exchange upon consummation of the merger, and (2) the Polaris warrants will become exercisable upon the later of the completion of the merger or January 11, 2009.

A.

Q. When do you expect the proposal to be completed?

Polaris expects that the transactions and actions contemplated in the proposals (other than the post-closing certificate amendment proposal) will be completed as promptly as practicable following the special meeting of stockholders to be held on , 2008. However, Polaris or HUGHES Telematics may terminate the merger agreement in certain circumstances even if stockholders approve the merger proposal. The post-closing certificate amendment proposal will be completed as soon as practicable after consummation of the merger.

A.

Q. What do I need to do now?

Polaris urges you to read carefully and consider the information contained in this proxy statement, including the annexes, and to consider how the merger will affect you as a stockholder of Polaris. You should then vote as soon as possible in accordance with the instructions provided in this proxy statement and on the enclosed proxy card.

A.

Q. Do I need to tender my shares?

Only Polaris stockholders who vote against approval of the merger proposal and properly elect to have their shares converted into a pro rata share of the funds held in the trust account must deliver their shares

A.

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to our stock transfer agent prior to the special meeting. Polaris public stockholders who vote in favor of the approval of the merger proposal, or who otherwise do not elect to have their shares converted should not deliver their shares now or after the merger, because their shares will not be converted or exchanged in connection with the merger.

Q. Who is paying for this proxy solicitation?

Polaris is soliciting the proxy represented by the enclosed proxy on behalf of its board of directors, and Polaris will pay all costs of preparing, assembling and mailing the proxy materials. In addition to mailing out proxy materials, Polaris' chief executive officer and chairman of the board, and other officers or directors may solicit proxies by telephone or fax, each without receiving any additional compensation for his services. Polaris has requested brokers, banks and other fiduciaries to forward proxy materials to the beneficial owners of its common stock.

A.

Q. Who can help answer my questions?

If you have questions about the merger or the other proposal or if you need additional copies of the proxy statement or the enclosed proxy card you should contact Polaris' proxy solicitor:

Innisfree M&A Incorporated
501 Madison Avenue, 20th Floor
New York, New York 10022

Stockholders call toll-free: (888) 750-5834
Banks and brokers call collect: (212) 750-5833
You may also contact Polaris at:

Polaris Acquisition Corp.
2200 Fletcher Avenue, 4th Floor
Fort Lee, New Jersey 07024
Attn: Secretary
Tel: (201) 242-3500

You may also obtain additional information about Polaris from documents filed with the Securities and Exchange Commission (SEC) by following the instructions in the section entitled Where You Can Find More Information.
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SUMMARY

This summary is being provided with respect to each of the proposals. Although the merger is the primary reason for the calling of the special meeting of stockholders, the other proposals are important as well. This summary may not contain all of the information that is important to you. For a more complete description of the transactions contemplated by the merger proposal, the pre-closing certificate amendment proposal, the post-closing certificate amendment proposal and the adjournment proposal, you should carefully read this entire proxy statement, including the attached annexes.

The Principal Parties

Polaris (see page 104)

Polaris was incorporated in Delaware on June 18, 2007, as a blank check company formed for the purpose of acquiring an operating business through a merger, capital stock exchange, asset acquisition or other similar business combination. On January 17, 2008, Polaris consummated the initial public offering of 15,000,000 of its units (units).

Each unit consists of one share of common stock, \$.0001 par value per share (common stock), and one warrant (warrant), to purchase one share of common stock at an exercise price of \$7.00 per share. The units were sold at an offering price of \$10.00 per unit, generating gross proceeds of \$150.0 million. Simultaneously with the consummation of the initial public offering, Polaris consummated the private sale (private sale) of 4,500,000 warrants (insider warrants) with an exercise price of \$7.00 at a purchase price of \$1.00 per insider warrant, generating total proceeds of \$4.5 million. The insider warrants were purchased by Byron Business Ventures XX, LLC, an entity controlled by Marc V. Byron, Polaris Chairman of the Board and Chief Executive Officer, Praesumo Partners, LLC, an entity controlled by Lowell D. Kraff, Polaris President and a director of Polaris, Moore Holdings, LLC, an entity controlled by David L. Moore, a director of Polaris, Meritage Farms LLC and Cloobek Companies, LLC, each a stockholder of Polaris, Granite Creek Partners, L.L.C., an entity controlled by Brian B. Boorstein, a director of Polaris, Roxbury Capital Group LLC Incentive Savings Plan, an entity controlled by Stuart I. Oran, a director of Polaris, and Alerion Equities, LLC and Odessa, LLC, each a stockholder of Polaris.

Polaris received net proceeds of approximately \$143.4 million from its initial public offering and sale of the insider warrants. Of those net proceeds, approximately \$6.8 million is attributable to the portion of the underwriters discounts and commissions which has been deferred until the consummation of a business combination. The net proceeds were deposited into a trust account and will be part of the funds distributed to Polaris public stockholders in the event it is

unable to complete an initial business combination.

Polaris shares of common stock, warrants and units are listed on the American Stock Exchange under the symbols TKP, TKP.WS and TKP.U, respectively.

Polaris principal executive office is located at 2200 Fletcher Avenue, 4th Floor, Fort Lee, New Jersey 07024, and its telephone number is (201) 242-3500.

HUGHES Telematics, Inc. (see page 70)

HUGHES Telematics is an automotive telematics services company that currently provides and is developing a suite of real-time automotive services and applications. These services and applications will be enabled through a hardware component that is factory-installed in new vehicles through multi-year contractual arrangements with automakers. In other instances, these services will be available through software provided by HUGHES Telematics that interfaces with compatible third-party hardware already installed by HUGHES Telematics automaker clients in certain vehicle models. HUGHES Telematics has contracts to be the telematics service provider in the United States to Chrysler LLC (Chrysler) and Mercedes-Benz USA, LLC (Mercedes-Benz) starting in 2009, and continues to market its telematics service to other automakers. Through Networkcar, Inc. (Networkcar), its wholly-owned subsidiary, HUGHES Telematics currently offers remote vehicle monitoring and other data services through after-market hardware that is purchased separately and installed on existing fleet vehicles.

HUGHES Telematics principal executive office is located at 41 Perimeter Center East, Suite 400, Atlanta, Georgia 30346, and its telephone number is (770) 391-6400.

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The Merger (see page 38)

Polaris board of directors believes that HUGHES Telematics presents a unique opportunity for Polaris investors to participate in a growing technology and services company that is poised for significant recurring revenues and earnings.

Merger Consideration to HUGHES Telematics Stockholders (see page 52)

The transaction provides for a direct merger of HUGHES Telematics with and into Polaris. Under the terms of the merger agreement, in exchange for all of their common stock and options exercisable for common stock of HUGHES

Telematics, the HUGHES Telematics stockholders will receive from Polaris, at the closing of the merger, an aggregate of 43,895,112 shares of Polaris common stock and the HUGHES Telematics optionholders will receive options exercisable for an aggregate of 1,618,981 shares of Polaris common stock, subject to certain adjustments. In addition, an aggregate of 27,968,436 earn-out shares will be issued into escrow and released to the HUGHES Telematics stockholders and earn-out options exercisable for an aggregate of 1,031,557 shares of Polaris common stock will be eligible to be exercised, according to their terms, by the HUGHES Telematics optionholders, each in three equal tranches, upon the trading share price of Polaris common stock reaching at least \$20.00, \$24.50 and \$30.50 within certain measurement periods over the five-year period following the closing of the merger.

The number of shares of Polaris common stock received by HUGHES Telematics stockholders at the closing of the merger will be subject to possible adjustments, including the issuance of up to 7,500,000 additional shares of Polaris common stock for the value of up to \$75.0 million of additional equity raised by HUGHES Telematics prior to the closing of the merger, if any, and the issuance of additional shares of Polaris common stock for a shortfall in the net working capital of Polaris below \$138.0 million at the closing of the merger.

Not including the earn-out shares, the merger consideration has an aggregate value of approximately \$416.5 million based on the closing price of Polaris common stock on June 13, 2008, the last trading day before the announcement of the proposed merger, and \$376.0 million based on the closing price of Polaris common stock on October 14, 2008.

Polaris and HUGHES Telematics plan to complete the merger as promptly as practicable after the special meeting, provided that:

Polaris stockholders have approved the merger proposal, the pre-closing certificate amendment proposal and the post-closing certificate amendment proposal;

holders of less than 30% of the shares of Polaris common stock issued in its initial public offering vote against the merger proposal and properly elect to have Polaris convert their shares for cash; and the other conditions specified in the merger agreement described below under The Merger Agreement Conditions to the Completion of the Merger have been satisfied or waived.

If Polaris stockholder approval has not been obtained at that time, or any other conditions have not been satisfied or waived, the merger will be completed promptly after Polaris stockholder approval is obtained or the remaining conditions are satisfied or waived. The merger agreement may be terminated if the closing of the merger has not occurred before the earlier of (1) April 15, 2009 or (2) 70 days after the date this proxy statement was distributed to Polaris stockholders.

A copy of the merger agreement is included as Annex A to this proxy statement. We encourage you to read the merger agreement in its entirety. See the section entitled The Merger Agreement.

Merger-Related Agreements and Transactions (see page 64)

Shareholders Agreement

In connection with the merger agreement, Polaris, the initial stockholders of Polaris, and certain stockholders of HUGHES Telematics have agreed to enter into a shareholders agreement at the closing of the merger, pursuant to which (i) such HUGHES Telematics stockholders will accept certain restrictions on transfer of their shares of Polaris common stock received at the closing of the merger (including Polaris

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common stock underlying options received at the closing of the merger) for two years after the closing; (ii) the Polaris initial stockholders will accept certain restrictions on transfer of their shares of Polaris common stock for one year after the closing of the merger, (iii) such HUGHES Telematics stockholders will accept certain restrictions on transfer of their released earn-out shares and Polaris common stock underlying earn-out options, if any, (iv) the Polaris initial stockholders and such HUGHES Telematics stockholders receive certain registration rights for their shares of Polaris common stock, (v) the Polaris initial stockholders and the HUGHES Telematics stockholders agree on the composition of Polaris board of directors at the time of the closing of the merger and (vi) Polaris initial stockholders will be entitled to one representative on Polaris board of directors while (a) the earn-out shares and indemnity shares remain in escrow and (b) the initial stockholders hold at least 50% of the outstanding Polaris common stock held by

them at the closing of the merger. See the section entitled **Agreements Related to the Merger Shareholders Agreement**.

Escrow Agreement

Polaris and HUGHES Telematics have agreed to enter into a customary escrow agreement providing for the escrow of earn-out and indemnity shares issued to HUGHES Telematics stockholders at the closing of the merger. See the section entitled **Agreements Related to the Merger Escrow Agreement**.

Polaris Board of Directors Recommendation (see page 33)

After careful consideration, Polaris board of directors has determined unanimously that the merger proposal is in the best interests of Polaris and its stockholders. Accordingly, Polaris board has unanimously approved and declared advisable the merger and unanimously recommends that you vote or instruct your vote to be cast **FOR** the approval of the merger proposal.

In negotiating and structuring the merger, Polaris board of directors reviewed various industry and financial data and considered the due diligence and evaluation materials provided by HUGHES Telematics in order to determine that the consideration to be paid in connection with the merger was reasonable. See the sections entitled **The Merger Proposal Polaris Reasons for the Merger and Recommendation of the Polaris Board** and **The Merger Proposal Recommendation**. On June 13, 2008, Duff & Phelps delivered to Polaris board of directors, its opinion that, as of that date and based upon and subject to the factors, limitations and assumptions described in the opinion, the consideration to be paid by Polaris pursuant to the merger agreement was fair from a financial point of view to the holders of Polaris common stock. Duff & Phelps also opined that the fair market value of HUGHES Telematics is equal to at least 80% of the balance of Polaris trust account (excluding deferred underwriting discounts and commissions and taxes payable). See the section entitled **The Merger Proposal Duff & Phelps Opinion**.

Polaris board of directors has determined unanimously that the pre-closing certificate amendment proposal, post-closing certificate amendment proposal and adjournment proposal are in the best interests of Polaris and its stockholders. Accordingly, Polaris board has unanimously approved and declared advisable the pre-closing certificate amendment proposal, post-closing certificate amendment proposal and the adjournment proposal and unanimously recommends that you vote or instruct your vote to be cast **FOR** the approval of the pre-closing certificate amendment proposal, post-closing certificate amendment proposal and the adjournment proposal.

Management Following the Merger (see page 112)

Board of Directors of Polaris Following the Merger

Upon completion of the merger, the board of directors of Polaris will be expanded to nine members, and the initial directors will include (i) Jeffrey A. Leddy, Andrew D. Africk, Matthew H. Nord, , and , or such other persons designated by Apollo prior to the closing of the merger (at least one of whom must be considered independent under the rules of the American Stock Exchange and NASDAQ), (ii) Marc V. Byron, or such other person designated by the board of directors of Polaris prior to the closing of the merger who is reasonably acceptable to Apollo and (iii) and , or such other persons mutually designated by Polaris board of directors and Apollo, each of whom the board of directors of Polaris has determined to be independent under the rules of the American Stock Exchange and NASDAQ. Because Apollo will beneficially own more than 50% of Polaris common stock following the merger, we will operate as a controlled company under applicable rules of both the American Stock Exchange and NASDAQ.

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Upon completion of the merger, the executive officers of Polaris will include Jeffrey A. Leddy as Chief Executive Officer, Erik J. Goldman as President, Craig J. Kaufmann as Vice President Finance and Treasurer, Robert C. Lewis as General Counsel and Secretary and Keith J. Schneider as President of Networkcar.

Interests of Polaris Directors and Officers in the Merger (see page 43)

In considering the recommendation of Polaris' board of directors to vote FOR the merger proposal, you should be aware that members of Polaris' board of directors may have interests different from or in addition to your interests as a stockholder. If the merger is approved, Marc V. Byron will continue to serve as a director of Polaris following the merger and will be compensated for such service. Additionally, if the merger is not approved and Polaris fails to consummate an alternative transaction within the time allotted pursuant to its certificate of incorporation and Polaris is therefore required to liquidate, the shares of common stock purchased by Polaris' initial stockholders prior to Polaris' initial public offering, and any warrants held by the initial stockholders, will be worthless because Polaris' initial stockholders are not entitled to receive any of the net proceeds of Polaris' initial public offering that may be distributed upon liquidation of Polaris. The table below shows the amount that the common stock and the warrants beneficially owned by the directors and officers of Polaris (and entities affiliated with Polaris' officers and directors) would be worth upon consummation of the merger and the unrealized profit from such securities based on an assumed market price of the common stock and the warrants of Polaris of \$ and \$, respectively.

	Common Stock		Value	Unrealized Profit	Warrants		Value	Unrealized Profit
	Beneficially Owned	Amount Paid			Beneficially Owned	Amount Paid		
Marc V. Byron	999,078	\$6,661			900,000	\$900,000		
Lowell D. Kraff	999,078	\$6,661			900,000	\$900,000		
David L. Moore	238,531	\$1,590			360,000	\$360,000		
David F. Palmer	174,758	\$1,165			0	\$0		
Jerry Stone	174,758	\$1,165			0	\$0		
Brian B. Boorstein	61,565	\$410			108,000	\$108,000		
Stuart I. Oran	43,565	\$290			54,000	\$54,000		
Total	2,691,333	\$17,942			2,322,000	\$2,322,000		

Other Matters to be Considered at the Special Meeting (see page 34)

Assuming the merger proposal is approved by Polaris stockholders, Polaris is seeking stockholder approval of the pre-closing certificate amendment proposal and the post-closing certificate amendment proposal.

Polaris is seeking stockholder approval to adjourn the special meeting to a later date, or dates, in the event there are not sufficient votes at the time of the special meeting to approve the merger proposal, the pre-closing certificate amendment proposal or the post-closing certificate amendment proposal.

Appraisal Rights (see page 36)

Polaris stockholders do not have appraisal rights in connection with the merger under the DGCL.

U.S. Federal Income Tax Consequences of the Merger and Exercise of Conversion Rights (see page 50)

Polaris stockholders who do not properly exercise their conversion rights will continue to hold their Polaris shares and, as a result, are generally not expected to recognize any gain or loss for U.S. federal income tax purposes as result of the merger.

Polaris stockholders who properly exercise their conversion rights and terminate their interest in Polaris will be required to recognize gain or loss upon the exchange of their shares of common stock for cash. We urge you to consult your own tax advisors regarding your particular tax consequences.

For a description of the federal income tax consequences of the proper exercise of conversion rights, see the section entitled The Merger Proposal U.S. Federal Income Tax Consequences of the Merger.

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Anticipated Accounting Treatment (see page 50)

The merger will be accounted for as a reverse acquisition under the purchase method of accounting, with HUGHES Telematics being treated as the accounting acquirer. Consequently, HUGHES Telematics consolidated financial statements will become the historical financial statements of the registrant following consummation of the merger, with the transaction treated as a recapitalization of HUGHES Telematics.

Regulatory Matters (see page 50)

Polaris is required to file and deliver this proxy statement in connection with the special meeting of stockholders of Polaris under the Securities Exchange Act of 1934, as amended, (the Exchange Act). See the section entitled The Merger Proposal Regulatory Matters.

Date, Time and Place of Special Meeting of Polaris Stockholders (see page 33)

The special meeting of the stockholders of Polaris will be held at New York City time, on , 2008, at . A proposal to adjourn the special meeting to a later date or dates may be presented, if necessary, to permit further solicitation and vote of proxies, if, based upon the tabulated vote at the time of the special meeting, Polaris is not authorized to consummate the merger. See the section entitled The Adjournment Proposal for more information.

Voting Power; Record Date (see page 34)

Only stockholders of record at the close of business on _____, 2008 will be entitled to vote at the special meeting. On this record date, there were 18,750,000 shares of common stock outstanding and entitled to vote at the special meeting. Each holder of common stock is entitled to one vote per share on each proposal on which such shares are entitled to vote at the special meeting. Holders of warrants are not entitled to voting rights with respect to their warrants at the special meeting.

Quorum and Vote of Polaris Stockholders (see page 35)

A quorum of stockholders is necessary to hold a valid special meeting. A quorum will be present if holders of at least a majority of the issued and outstanding shares entitled to vote are present in person or by proxy at the special meeting. Abstentions and broker non-votes will be counted towards the quorum requirement.

The approval of the merger proposal will require the affirmative vote by the holders of a majority of the shares of Polaris common stock (a) voted by the public stockholders present at the special meeting in person or by proxy and (b) outstanding as of the record date. If the holders of an aggregate of 30% or more of the shares issued in Polaris initial public offering vote against the merger proposal and properly elect to convert their shares into a pro rata portion of Polaris trust account, the remaining proposals, other than the adjournment proposal, will not be presented at the special meeting for approval.

The approval of the pre-closing certificate amendment proposal will require the affirmative vote by the holders of a majority of the shares of Polaris common stock outstanding as of the record date.

The approval of the post-closing certificate amendment proposal will require the affirmative vote by the holders of a majority of the shares of Polaris common stock outstanding as of the record date.

The approval of the adjournment proposal will require the majority vote of the voting power of the stockholders present or represented at the special meeting and entitled to vote.

If, following the date of this proxy statement, Polaris determines that the merger proposal may not receive sufficient votes at the special meeting for the merger to be consummated, Polaris, HUGHES Telematics and the initial stockholders and/or their affiliates may enter into negotiations for one or more transactions with existing stockholders or other third parties that would be designed to incentivize stockholders who have indicated, or are believed to have indicated, an intention to vote against the merger proposal to either vote in favor of, or to sell their shares to one or more parties who would vote in favor of, the merger proposal. There can be no certainty that any such transactions would in fact be sought to be negotiated or, if negotiations are commenced, would be consummated. If any such transactions are consummated, Polaris, Polaris executive officers and directors, the initial stockholders and any other applicable parties will promptly

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disclose such transactions by means of a supplement to this proxy statement and/or the filing of a Current Report on Form 8-K with the SEC and any other required filings.

Risk Factors (see page 11)

In evaluating the merger proposal, the pre-closing certificate amendment proposal, the post-closing certificate amendment proposal and the adjournment proposal, you should carefully read this proxy statement and especially consider the factors discussed in the section entitled Risk Factors.

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Summary Historical Consolidated Financial Information of HUGHES Telematics

The summary historical consolidated financial information of HUGHES Telematics set forth below is derived from the audited and unaudited consolidated financial statements of HUGHES Telematics included in this proxy statement.

HUGHES Telematics' summary historical consolidated balance sheet data as of December 31, 2007 and 2006, and historical summary consolidated statement of operations data for the year ended December 31, 2007 and for the period from January 9, 2006 (inception) to December 31, 2006 have been derived from HUGHES Telematics' audited consolidated financial statements. The summary historical consolidated balance sheet data as of June 30, 2008 and the summary historical consolidated statement of operations data for the six months ended June 30, 2008 and 2007 have been derived from HUGHES Telematics' unaudited consolidated financial statements and, in the opinion of management, include all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of HUGHES Telematics' financial position and results of operations as of the dates and for the periods indicated. The results for periods of less than a full year are not necessarily indicative of the results to be expected for any interim period or for a full year.

This information should be read in conjunction with the section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations of HUGHES Telematics and the consolidated financial statements and the notes thereto included elsewhere in this proxy statement.

	Six Months Ended June 30,		Year Ended December 31, 2007	January 9, 2006 (Inception) to December 31, 2006
	2008	2007		
(In Thousands, Except Share Data)				
Consolidated Statement of Operations Data:				
Revenues	\$ 12,975	\$ 9,540	\$ 20,352	\$ 6,913
Loss from operations	(21,129)	(14,421)	(33,577)	(6,136)
Loss before income taxes	(24,251)	(14,544)	(34,535)	(6,104)
Net loss	(24,251)	(13,617)	(32,333)	(3,836)
Basic and diluted loss per share	(64.90)	(36.54)	(86.74)	(11.57)
Basic and diluted weighted average shares outstanding	373,680	372,680	372,768	331,688

	June 30, 2008	December 31, 2007	December 31, 2006
(In Thousands)			
Consolidated Balance Sheet Data:			
Cash, cash equivalents, and short-term investments	\$ 30,013	\$ 22,017	\$ 17,388
Restricted cash - current and noncurrent	11,487	997	997
Total assets	103,191	62,932	54,648
Series A Redeemable Preferred Stock	60,871	57,017	35,273
Long-term debt	45,784		
Capital lease obligations - current and noncurrent	8,072		

Total liabilities	131,287	75,795	50,398
Stockholders' (deficit) equity	(28,096)	(12,863)	4,250

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Summary Historical Financial Information of Polaris

The summary historical financial information of Polaris set forth below is derived from the audited and unaudited financial statements of Polaris included in this proxy statement. Polaris' summary historical balance sheet data as of December 31, 2007, and historical summary statement of operations data for the period from June 18, 2007 (inception) to December 31, 2007, have been derived from Polaris' audited financial statements. The summary historical balance sheet data as of June 30, 2008 and the summary historical statement of operations data for the six months ended June 30, 2008 have been derived from Polaris' unaudited financial statements and, in the opinion of management, include all adjustments necessary for a fair presentation of Polaris' financial position and results of operations as of the dates and for the periods indicated. The results for periods of less than a full year are not necessarily indicative of the results to be expected for any interim period or for a full year.

This information should be read in conjunction with the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations of Polaris" and the financial statements and the notes thereto included elsewhere in this proxy statement.

Balance Sheet Data:	June 30, 2008	December 31, 2007
Cash	\$ 82,519	\$ 12,801
Total assets	150,877,332	188,603
Total liabilities	7,149,674	164,276
Value of common stock subject to conversion (\$10 per share)	44,999,990	\$
Stockholders' equity	98,727,668	188,603

Statements of Operations:	June 18, 2007 (Inception) to December 31, 2007	June 18, 2007 (Inception) to June 30, 2007	Six Months Ended June 30, 2008	June 18, 2007 (Inception) to June 30, 2008
Revenue	\$	\$	\$	\$
Interest Income	389		1,325,155	1,325,544
Net Income (Loss)	(673)	(1,062)	322,640	321,967
Net income per share			0.02	0.03

Summary Unaudited Pro Forma Condensed Combined Financial Information

The summary unaudited pro forma condensed combined financial information set forth below is derived from, and should be read in conjunction with, the unaudited pro forma condensed consolidated financial statements included elsewhere in this proxy statement.

The following unaudited pro forma condensed combined statement of operations data presents the combined company's results of operations for the year ended December 31, 2007 and the six months ended June 30, 2008 assuming the merger occurred on January 1, 2007. The following unaudited pro forma condensed combined balance sheet data presents the combined company's financial position assuming that the merger occurred on June 30, 2008. The unaudited pro forma condensed combined financial information does not purport to represent what the combined company's results of operations or financial condition would actually have been had the merger in fact occurred as of such dates or to project the combined company's results of operations for any future period or as of any future date.

This information should be read together with HUGHES Telematics' and Polaris's audited and unaudited financial statements and related notes, provided in the sections entitled "Unaudited Pro Forma Condensed Combined Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations of HUGHES Telematics," "Management's Discussion and Analysis of Financial Condition and Results of Operations of Polaris," and other financial information included elsewhere in this proxy statement.

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The unaudited pro forma condensed financial information has been prepared using two different levels of approval of the merger by the Polaris stockholders, as follows:

Assuming No Exercise of Conversion Rights: This presentation assumes that no Polaris stockholders properly exercise their conversion rights; and

Assuming Maximum Exercise of Conversion Rights: This presentation assumes that 29.99% of the Polaris stockholders properly exercise their conversion rights.

	Six Months Ended June 30, 2008		Year Ended December 31, 2007	
	Assuming No Exercise of Conversion Rights	Assuming Maximum Exercise of Conversion Rights	Assuming No Exercise of Conversion Rights	Assuming Maximum Exercise of Conversion Rights
	(In Thousands, Except Share Data)			
Pro Forma Statement of Operations Data:				
Revenues	\$12,975	\$12,975	\$20,352	\$20,352
Loss from operations	(21,850)	(21,850)	(33,578)	(33,578)
Loss before income taxes	(22,095)	(22,492)	(32,725)	(32,725)
Net loss	(22,209)	(22,606)	(30,523)	(30,523)
Basic and diluted loss per share	(0.39)	(0.43)	(0.53)	(0.58)
Basic and diluted weighted average shares outstanding	57,255,345	52,755,346	57,255,345	52,755,346

June 30, 2008
Assuming No
Exercise of
Conversion
Rights Assuming
Maximum
Exercise of
Conversion
Rights

(In Thousands)

Pro Forma Balance Sheet Data:

Cash and cash equivalents	\$ 173,850	\$ 128,850
Restricted cash	4,450	4,450
Total assets	240,319	195,319
Series A Redeemable Preferred Stock		
Long-term debt	45,784	45,784
Capital lease obligations	8,072	8,072
Total liabilities	70,816	70,816
Stockholders (deficit) equity	169,503	124,503

See the section entitled Unaudited Pro Forma Condensed Combined Financial Information for further information.

Comparative Historical and Unaudited Pro Forma Per Share Information

The following tables set forth the per share data of Polaris and HUGHES Telematics on a stand-alone basis for the historical periods of the six months ended June 30, 2008 and the year ended December 31, 2007 and the unaudited pro forma combined per share ownership information of Polaris and HUGHES Telematics after giving effect to the merger, assuming (1) maximum approval, which assumes that no Polaris stockholders properly exercise their conversion rights, in one case, and (2) minimum approval, which assumes that 29.99% of Polaris stockholders properly exercise their conversion rights, in the other case. You should read this information in conjunction with the selected summary historical financial information included elsewhere in this proxy statement, and the historical financial statements of Polaris and HUGHES Telematics and related notes included elsewhere in this proxy statement.

The unaudited pro forma combined per share information is

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derived from, and should be read in conjunction with, the unaudited pro forma condensed combined financial information and related notes included elsewhere in this proxy statement.

The unaudited pro forma combined earnings per share information below does not purport to represent the earnings per share which would have occurred had the companies been combined during the periods presented, nor earnings per share for any future date or period. The unaudited pro forma combined book value per share information below does not purport to represent what the value of Polaris and HUGHES Telematics would have been had the companies been combined during the periods presented.

	As of and for the Six Months Ended June 30, 2008			
	Historical		Pro Forma Combined	
	Polaris	HUGHES Telematics	Assuming No Exercise of Conversion Rights	Assuming Maximum Exercise of Conversion Rights
	(In Thousands, Except Share Data)			
Basic and diluted earnings (loss) per share	\$0.02	\$(0.63)	\$(0.39)	\$(0.43)

Cash dividends declared per share				
Book value	98,728	(28,096)	169,503	124,503
Book value per share	5.27	(0.73)	2.96	2.36
Shares outstanding following consummation of the merger	18,750,000	38,505,345 ⁽¹⁾	57,255,345 ⁽¹⁾	52,755,346 ⁽¹⁾

	As of and for the Year Ended December 31, 2007			
	Historical	Pro Forma Combined		
	Polaris	HUGHES Telematics	Assuming No Exercise of Conversion Rights	Assuming Maximum Exercise of Conversion Rights
	(In Thousands, Except Share Data)			
Basic and diluted loss per share	\$	\$(0.84)	\$(0.53)	\$(0.58)
Cash dividends declared per share				
Book value	24	(12,863)	180,557	135,557
Book value per share		(0.33)	3.15	2.57
Shares outstanding following consummation of the merger	18,750,000	38,505,345 ⁽¹⁾	57,255,345 ⁽¹⁾	52,755,346 ⁽¹⁾

(1) Excludes (i) an aggregate of 5,389,767 shares of Polaris common stock which will be issued to HUGHES Telematics stockholders and be placed in escrow for 15 months following closing to indemnify Polaris for the payment of indemnification claims that may be made by Polaris as a result of breaches of HUGHES Telematics covenants, representations and warranties in the merger agreement and (ii) the 27,968,436 earn-out shares which will be issued to HUGHES Telematics stockholders but held in escrow until achievement of the specified price targets.

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RISK FACTORS

You should carefully consider the following risk factors, together with all of the other information included in this proxy statement, before you decide whether to vote or instruct your vote to be cast to approve the merger proposal. As

Polaris operations will be those of HUGHES Telematics upon consummation of the merger, a number of the following risk factors relate to the business and operations of HUGHES Telematics. Unless the context indicates otherwise, in this section prior to the merger, the terms we, us and our refer to Polaris and, following the consummation of the merger, such terms refer to the combined company, which will be renamed .

Risks Related to Our Business Following the Merger with HUGHES Telematics

To date, HUGHES Telematics has only generated losses, which are expected to continue for the foreseeable future.

For the fiscal year ended December 31, 2007 and the six months ended June 30, 2008, HUGHES Telematics incurred approximately \$32.3 million and \$24.3 million, respectively, of net losses in connection with the development of its factory-installed hardware devices (the telematics control unit or TCU) and telematics system and the operations of its Networkcar subsidiary. HUGHES Telematics expects its net losses and its negative cash flow to continue for the foreseeable future as it completes the development of its telematics system, makes payments under its various contracts and begins to incur marketing costs associated with the launch of service in automotive manufacturer vehicles in mid-2009. We cannot assure you that HUGHES Telematics' net losses and negative cash flow will not accelerate and surpass HUGHES Telematics' expectations, potentially significantly, nor can we assure you that HUGHES Telematics will ever generate any net income or positive cash flow.

HUGHES Telematics is completing the development of its first generation telematics product installed in vehicles and has not yet generated any revenue from its service offerings for vehicles with factory-installed hardware.

To date, all of HUGHES Telematics' revenues have been earned through the sale of Networkcar's products and services, and no revenues have been generated from services enabled by HUGHES Telematics' factory-installed telematics device. While the design of its TCU has been completed, HUGHES Telematics still needs to complete validation testing with the automakers with which it has strategic relationships. In addition, HUGHES Telematics needs to complete the development of certain of its operating systems before HUGHES Telematics can start commercial operation and generate revenues from its service offerings for vehicles with factory-installed hardware. Unless it successfully completes the development of these operating systems, HUGHES Telematics will not become profitable, and an investor will likely lose money on its investment. We cannot assure you that HUGHES Telematics will successfully complete, in a cost effective or timely manner, the development of operating systems that meet automakers' specifications or that allow HUGHES Telematics to successfully generate revenue. If HUGHES Telematics fails to do so it will materially and negatively impact its business.

HUGHES Telematics' key service agreements are with a small number of automakers and are subject to expiration.

HUGHES Telematics only has service agreements with Chrysler and Mercedes-Benz. If HUGHES Telematics were to lose one or both of these key relationships, its business and prospects would be materially harmed. HUGHES Telematics expects that even if it is successful in developing relationships with additional automakers, its future revenues will be derived from sources related to vehicles manufactured by a small number of automakers.

HUGHES Telematics' current agreement with Chrysler is scheduled to expire on June 16, 2015. HUGHES Telematics' current agreement with Mercedes-Benz is scheduled to expire on June 16, 2016. We cannot assure you that any of the automakers with which HUGHES Telematics has strategic relationships, including Mercedes-Benz or Chrysler, will extend or renew their contracts with HUGHES Telematics before or when they expire or that, if they are extended or renewed, they will be extended or renewed on the same terms or on terms that are as favorable to HUGHES Telematics as the existing contracts.

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HUGHES Telematics must meet certain developmental milestones and provide certain levels of service upon product launch.

HUGHES Telematics agreements with each of Chrysler and Mercedes-Benz require it to meet certain developmental milestones and to maintain certain minimum service level standards. Each respective agreement may be terminated by Chrysler or Mercedes-Benz upon a material breach by HUGHES Telematics, including upon HUGHES Telematics failure to meet certain of the developmental milestones or to satisfy the required service levels. As HUGHES Telematics operating systems are still being tested and developed, HUGHES Telematics may not be able to meet the requirements or its obligations under the agreements. To the extent that HUGHES Telematics fails to meet its material obligations under either contract and a contract is terminated, HUGHES Telematics prospects would be severely impaired.

HUGHES Telematics projections are based on a number of estimates and assumptions that could prove to be materially inaccurate.

Since HUGHES Telematics has not yet launched its service offerings for vehicles with factory-installed hardware and is participating in a dynamic industry, some or all of the assumptions underlying its projections may prove to be materially inaccurate. For example, the HUGHES Telematics growth projections provided to Duff & Phelps are based in large part on estimates of (i) consumer and automaker adoption rates of telematics-related products and services estimated by industry analysts or experienced by automakers with current telematics service offerings and (ii) vehicle sales by the automakers with which HUGHES Telematics has strategic relationships. Estimated adoption rates are subject to a number of uncertainties, including, among others, pricing, privacy concerns and, for certain services, capabilities of competing products such as cell phones and other personal electronic devices. Estimated vehicle sales are also subject to a number of uncertainties, such as general economic conditions, availability of financing for automotive purchasers and competitive factors. Accordingly, HUGHES Telematics estimates of the size of the anticipated market or the potential demand for HUGHES Telematics services may turn out to be significantly inaccurate. In addition, HUGHES Telematics projected results are based on certain assumptions as to the cost of developing, manufacturing and distributing TCUs, as well as costs related to the provision of services, such as communications, sales, marketing, customer support, content and other costs. There can be no assurance that any of these assumptions will prove correct or that projected results will be achieved. Actual results may vary from projected results, and such variations may be material.

Competition for telematics service contracts with automakers is intense.

While HUGHES Telematics has entered into exclusive relationships with Chrysler and Mercedes-Benz, starting in 2009, to provide specified telematics services to new vehicles manufactured by these automakers for the United States market, competition for new contracts to provide services similar to HUGHES Telematics services is intense. HUGHES Telematics currently faces significant competition from other telematics service providers for new contracts with automakers and, once HUGHES Telematics services become available, increased competition in the telematics industry could eventually result in downward pricing pressure, reduced margins and the loss of market share.

Some of HUGHES Telematics current and potential competitors have established or may establish cooperative relationships among themselves or directly with automakers. Accordingly, it is possible that alliances among competitors or among automakers, particularly if they involve General Motors or OnStar, could have a negative impact on the ability of HUGHES Telematics to expand its automaker customer base. Certain of the current and potential competitors of HUGHES Telematics, including OnStar, also have significantly greater name recognition and financial, marketing, management and other resources than HUGHES Telematics does. They may be able to respond more quickly to changes in customer preferences or devote greater resources to developing and promoting their service offering. We cannot guarantee that HUGHES Telematics can maintain its competitive position against its current and potential competitors, especially those with greater financial, marketing, management and other resources than it will have.

Competition for subscribers could negatively affect HUGHES Telematics business.

Indirectly, certain of HUGHES Telematics services compete with services provided by wireless devices such as cellular telephones and carriers of mobile communications, as well as aftermarket telematics providers.

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As wireless providers in the U.S. market complete their service build-out for location-based services, this competition may increase significantly or could jeopardize the commercial viability of certain of HUGHES Telematics services.

Consumers may opt for certain services offered by wireless carriers, such as navigation, despite the scope of HUGHES Telematics service offerings, rather than those offered by HUGHES Telematics. In addition, starting in November 2009, while HUGHES Telematics will be the exclusive telematics service provider to Mercedes-Benz for all new Mercedes-Benz vehicles sold in the United States, it expects to have to compete with the incumbent service provider, ATX Group, Inc. (ATX Group) for legacy Mercedes-Benz customers. Though Mercedes-Benz supports HUGHES Telematics as the provider of choice for such legacy customers, there can be no assurance that HUGHES Telematics will be successful in converting such customers at the rates it expects or without incurring additional costs.

HUGHES Telematics has significant indebtedness, the terms of which limit the operation of HUGHES Telematics business, and a failure to generate significant cash flow could render it unable to service such obligations.

As of August 25, 2008, HUGHES Telematics had outstanding long-term indebtedness with an aggregate principal balance of approximately \$67.5 million, consisting of \$55.0 million of senior secured term indebtedness issued under a credit facility and a \$12.5 million senior subordinated unsecured promissory note issued to Apollo. While HUGHES Telematics may elect to pay the interest accrued on the senior secured term indebtedness until March 31, 2010 and on the senior subordinated unsecured promissory note until the October 1, 2013 maturity date in kind (i.e., with such accrued interest being added to the outstanding principal balance of the term indebtedness), after March 31, 2010 and until the March 31, 2013 maturity date of the senior secured term indebtedness, the accrued interest must be paid in cash.

In addition, senior secured term indebtedness with an aggregate principal amount of \$50.0 million bears variable interest at a rate equal to 11% plus the greater of the London Interbank Rate (LIBOR) or 3% (pursuant to an agreement with one of the senior secured note holders, the interest rate on senior secured term indebtedness with a principal amount of \$5.0 million has a fixed interest rate of 14%). In the event that interest rates rise, the result would be higher interest costs for HUGHES Telematics. HUGHES Telematics ability to service this indebtedness will be dependent on its ability to generate cash from internal operations or raise equity sufficient to make required payments on such indebtedness. HUGHES Telematics business may not generate sufficient cash flow from operations and future borrowings may not be available to HUGHES Telematics under credit facilities in an amount sufficient to enable HUGHES Telematics to pay this indebtedness and fund operating and liquidity requirements. HUGHES Telematics may need to refinance all or a portion of this indebtedness on or before maturity; however, HUGHES Telematics may not be able to refinance any of this indebtedness on commercially reasonable terms, or at all.

Further, the credit facility contains restrictive covenants that will limit HUGHES Telematics ability to engage in activities that may be in its long-term best interests. The failure to comply with the covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of HUGHES Telematics outstanding indebtedness.

Substantially all of HUGHES Telematics assets are used to collateralize its credit facility.

HUGHES Telematics credit facility is secured by substantially all of its assets, including cash, inventory and accounts receivable. The credit agreement governing the credit facility contains various covenants that restrict HUGHES Telematics business. Noncompliance with any of the covenants without cure or waiver would constitute an event of default under the credit facility. Upon the occurrence of an event of the default under the credit facility, substantially all of the assets of HUGHES Telematics would be subject to liquidation by the creditors, which could result in no assets being left available to the stockholders.

HUGHES Telematics will have significant indebtedness following the merger and may have to raise additional capital to successfully carry out its business plan.

Assuming no Polaris stockholders properly elect to convert their Polaris common stock, it is estimated that through its merger with Polaris, HUGHES Telematics will receive net cash proceeds of up to approximately \$ million, which will be used to fund HUGHES Telematics growth opportunities.

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HUGHES Telematics, however, will retain significant indebtedness, including under its existing credit facility. HUGHES Telematics also may have to enter into new credit facilities, or possibly issue additional preferred or common stock, to finance its growth. If HUGHES Telematics has to issue additional equity, the stockholders of Polaris would be diluted. We cannot assure you that HUGHES Telematics will have access to financing on commercially reasonable terms, if at all.

HUGHES Telematics long development and sales cycle will place considerable demands on HUGHES Telematics resources and liquidity.

HUGHES Telematics expects that it will take several years from the date it commences negotiations with an automaker to the date it is able to collect fees for the provision of services. Negotiation with an automaker regarding a commercial arrangement for services to be offered in vehicles is a long and complicated process since these types of arrangements are complex and new to the automotive industry. Once a contract is executed, HUGHES Telematics TCU, if required by the contract, may need to be further developed or modified and will need to be tested to ensure that they or other systems properly operate with that automaker's vehicle systems. Further, the manufacturing and installation schedule for the TCU must be coordinated to coincide with the automaker's model development, manufacturing and release schedules. Even after vehicles with HUGHES Telematics factory-installed TCUs are released for sale, there may be a period of up to a year before HUGHES Telematics is able to collect fees for services provided to vehicle owners. This relatively long sales and development cycle will place considerable demands on HUGHES Telematics liquidity and capital resources for the foreseeable future.

HUGHES Telematics success depends on the success of the automakers with which it has strategic relationships.

HUGHES Telematics service offerings for vehicles with factory-installed hardware are necessarily tied to the success of the automakers with which it has strategic relationships. To the extent that these automakers decrease the volume of

vehicles they manufacture for the domestic market, HUGHES Telematics will have a smaller addressable customer base. Importantly, HUGHES Telematics cannot control the decisions of the automakers with which it has strategic relationships with respect to how many vehicles they manufacture or what lines, if any, they cease manufacturing in the face of market pressures or internal financial demands. A significant decrease in actual production in the future by these automakers from that currently anticipated would cause HUGHES Telematics' projected customer base to be smaller and could cause HUGHES Telematics' projections to be inaccurate and may have a material and negative impact on HUGHES Telematics' business.

HUGHES Telematics' business and growth may be significantly impacted by events in the automotive industry in general and in the overall economy.

HUGHES Telematics' business depends on the willingness of automakers to install HUGHES Telematics' products in their vehicles. The business and the results of the automotive industry are tied to industry and general economic conditions. The number of vehicles sold industry-wide varies from year to year, and sales in the United States declined in the first six months of 2008 compared to the first six months of 2007. The automotive industry may be further negatively impacted by conditions such as increases in costs, government regulations, disruptions of supply, shortages of raw materials, labor disputes or by global and local economic conditions, including increases in the rate of unemployment, changes in consumer confidence levels, the availability of credit and the availability and cost of fuel. To the extent that an automaker with which HUGHES Telematics has a contract faces adverse conditions resulting in a decrease in production volume, HUGHES Telematics' business may be negatively affected. To the extent that the automotive industry in general faces adverse conditions, automakers may be less willing to enter into contracts with HUGHES Telematics, which would have a negative impact on the growth of HUGHES Telematics' business. Furthermore, economic conditions may cause subscribers to services offered by HUGHES Telematics to reduce or stop their use of such services, resulting in decreased revenues for HUGHES Telematics.

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The failure of HUGHES Telematics' services to perform at a high level could jeopardize its ability to retain existing strategic relationships with automakers or form new strategic relationships.

HUGHES Telematics' ability to safeguard and strengthen the brand quality of the automakers with which it has strategic relationships is critical to maintaining key strategic relationships and its ultimate success. Supporting the brand quality of these automakers may become more challenging as it develops relationships with other automakers, including, potentially, those manufacturers with a greater percentage of vehicles below the luxury category. Promoting these automakers' brands will depend largely on its ability to provide high quality services and consumer support, as well as the ability to provide custom solutions to these automakers' telematics requirements. These activities are expensive, and HUGHES Telematics may not generate a corresponding increase in vehicles under service or revenues to justify these costs. If HUGHES Telematics fails to successfully safeguard the brand quality of the existing and prospective automaker with which it has or will have strategic relationships, its business and prospects will be harmed.

We cannot assure you that automakers will expand service offerings beyond traditional telematics services or do so at the rates HUGHES Telematics expects.

The continued rate of integration of telematics into vehicles, including both traditional safety and security features,

HUGHES Telematics' success depends on the success of the automakers with which it has strategic relationships.

such as those HUGHES Telematics currently expects to be its initial consumer service offerings, and future service offerings, such as diagnostics, navigation with integrated traffic, convenience services and infotainment, is subject to uncertainty. The uncertainty concerning the rate of integration of both traditional and future telematics services stems from a number of issues including:

the relative early stage of the industry itself;
uncertainties regarding the longer-term appeal of telematics services; and
competitive uncertainties, including whether current or future consumer products will materially alter the industry. Consumer products that are or could become direct competition for certain services include location-enabled cellular telephones; PDAs; navigation systems; factory-installed, in-vehicle communications and entertainment systems; and aftermarket telematics equipment.

As a result of these and other issues, automakers may limit the use of telematics services utilizing factory-installed devices to traditional safety and security services, or limit deployment of future services to select brands, models or pricing categories. If automakers do not integrate telematics programs into future automobiles, HUGHES Telematics business and prospects will be harmed and its commercial viability could be jeopardized.

Not all automakers should be regarded as prospects for strategic relationships, since some may resist outsourcing their telematics programs and others may not embrace HUGHES Telematics approach to telematics services.

Not all automakers will solicit the assistance of an outside service provider to perform the services component of their telematics programs and may decide instead to develop in-house telematics capabilities. If automakers in general, or potential automakers with which HUGHES Telematics is pursuing strategic relationships, in particular, conclude that the disadvantages of engaging a third-party service provider for assistance outweigh the advantages, HUGHES Telematics growth prospects will suffer. These automakers may resist using an outside telematics service provider such as HUGHES Telematics for a number of reasons, including:

the risks or perceived risks of providing third-party service providers with access to their proprietary technology or information;

a desire to retain control over all consumer-related functions;

concerns over the level of service to be expected from a third-party service provider and the ability to properly measure acceptable levels of service; and
a belief that the automaker maintains all of the necessary infrastructure, personnel, systems and other resources necessary to manage the program internally.

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For those automakers that do outsource telematics, not all will ultimately embrace HUGHES Telematics approach to telematics services. As a result, not all automakers should be regarded as prospects for strategic relationships.

Failure of third-party vendors to support HUGHES Telematics efforts in a timely manner would delay the generation of revenues or could result in cancellation of HUGHES Telematics arrangements.

Although it is responsible for the design and related requirements of the TCU, HUGHES Telematics relies to a significant degree on the support and performance of third-party vendors in connection with the development and testing of the TCU, as well as the completion of the design, development, launch and operation of its telematics

We cannot assure you that automakers will expand service offerings beyond traditional telematics services or do so

system. HUGHES Telematics will also rely on third parties to manufacture its TCU. A failure by any one of these vendors to perform its obligations to HUGHES Telematics in a timely or proper manner could result in a delay in the launch of HUGHES Telematics service, a breach of HUGHES Telematics obligations to automakers or could result in the termination of a contract with such an automaker, which would severely impair HUGHES Telematics prospects. In such an instance, HUGHES Telematics could also face material liabilities to the automakers in excess of insured amounts or the contractual indemnity of the vendor.

HUGHES Telematics business may be impaired if a third party infringes on HUGHES Telematics intellectual property rights.

Certain aspects of HUGHES Telematics service depend in part upon intellectual property that HUGHES Telematics has developed or will develop in the future. Monitoring infringement of intellectual property rights is difficult, and HUGHES Telematics cannot be certain that the steps it has taken will prevent unauthorized use of its intellectual property and technical know-how. If the intellectual property that HUGHES Telematics uses is not adequately protected, others will be permitted to and may duplicate its service without liability. In addition, others may challenge, invalidate or circumvent HUGHES Telematics intellectual property rights, patents or existing sublicenses. In addition, some of the know-how and technology HUGHES Telematics has developed and plans to develop will not be covered by United States patents. Trade secret protection and contractual agreements may not provide adequate protection if there is any unauthorized use or disclosure. Other parties may have patents or pending patent applications which will later mature into patents or inventions which may block HUGHES Telematics ability to provide some of its services. HUGHES Telematics may have to resort to litigation to enforce its rights under license agreements or to determine the scope and validity of other parties proprietary rights in the subject matter of those licenses. This activity may be expensive. Also, HUGHES Telematics may not succeed in any such litigation.

HUGHES Telematics may become involved in intellectual property or other disputes that could harm its business.

Third parties, including competitors, may already have patents on inventions, or may obtain patents on new inventions in the future, that could limit HUGHES Telematics ability to provide services in the future. Such third parties may claim that HUGHES Telematics products or services infringe their patent rights and assert claims against HUGHES Telematics. In addition, HUGHES Telematics has agreed in some of its contracts, and may in the future agree in other contracts, to indemnify third parties for any expenses or liabilities resulting from claimed infringements of the proprietary rights of third parties as it relates to the services HUGHES Telematics provides. HUGHES Telematics, or third parties that it is obligated to indemnify, may receive notifications alleging infringements of intellectual property rights relating to HUGHES Telematics business, the provision of its services or the products previously sold by it. If any infringement claim is successful against HUGHES Telematics, it may be required to pay substantial damages or it may need to seek and obtain a license of the other party s intellectual property rights. HUGHES Telematics may be required to redesign those services that use the infringed technology. Moreover, HUGHES Telematics may be prohibited from selling, using or providing its services that use the challenged intellectual property.

Rapid technological changes could make HUGHES Telematics service less attractive.

The wireless industry is characterized by rapid technological change, frequent new product innovations, changes in customer requirements and expectations, and evolving industry standards. If HUGHES Telematics is unable to keep pace with these changes, its business may be harmed. Products using new technologies, or

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emerging industry standards, could make HUGHES Telematics technologies less attractive. In addition, HUGHES Telematics may face unforeseen problems when developing its services which could harm its business. Because HUGHES Telematics will depend on third parties to develop technologies used in key elements of its products, more advanced technologies which HUGHES Telematics may wish to use may not be available to it on reasonable terms or in a timely manner. Further, HUGHES Telematics competitors may have access to technologies not available to it, which may enable them to produce products of greater interest to consumers or automakers, or at a more competitive cost.

Systems failures or interruptions to HUGHES Telematics service may have a negative impact on its revenues, damage its reputation and decrease its ability to attract new customers to its service offering.

HUGHES Telematics ability to provide uninterrupted service and high quality customer support will depend on the efficient and uninterrupted operation of its computer and communications systems. The systems that HUGHES Telematics expects to use to integrate the various elements of automakers telematics programs and deliver its services will be complex and may contain undetected errors, especially when first introduced. These errors may not be discovered until after a vehicle model has been launched with HUGHES Telematics service offering, or consumers begin using the service. Any disruption of HUGHES Telematics services, computer systems or communications networks, or those of third parties that HUGHES Telematics relies on, could result in the inability of consumers to receive its services for an indeterminate period of time which could cause HUGHES Telematics to lose automakers confidence or revenue, or to face litigation. If HUGHES Telematics experiences frequent or persistent systems failures, its business and prospects may be irreparably harmed.

HUGHES Telematics may be exposed to potential liability for actual or perceived failure to provide required services.

Because consumers subscribing to HUGHES Telematics safety and security services rely on HUGHES Telematics in emergency situations, HUGHES Telematics may be exposed to potential claims for damages, including special or consequential damages, as a result of an actual or perceived failure of its safety and security services. HUGHES Telematics failure or inability to meet a driver's expectations in the performance of its services, or to do so in the time frame required by the driver, regardless of responsibility for such failure, could result in liability against HUGHES Telematics, harm to HUGHES Telematics business or reputation and/or discourage other automakers from integrating telematics into future vehicles or from engaging HUGHES Telematics to provide telematics services.

HUGHES Telematics expected future growth will place a significant strain on its management, systems and resources.

HUGHES Telematics was formed in January 2006 and has grown quickly. In order to execute its business strategy, HUGHES Telematics will continue to experience significant growth which will place a significant strain on its systems, processes, resources, management and other infrastructure and support mechanisms. To manage the anticipated growth of its operations, HUGHES Telematics will be required to:

- improve existing and implement new operational, financial and management information controls, reporting systems and procedures;
- establish relationships with additional vendors, suppliers and strategic partners and maintain existing relationships;
- and
- hire, train, manage and retain additional personnel.

To the extent HUGHES Telematics is unable to assemble the personnel, controls, systems, procedures and relationships necessary to manage its future growth, if any, management resources may be diverted and HUGHES Telematics' opportunity for success may be limited.

Regulations concerning consumer privacy may adversely affect HUGHES Telematics' business.

Certain technologies that HUGHES Telematics currently supports, or may in the future support, are capable of collecting personally-identifiable information and vehicle-specific information such as performance data and error codes. Vehicle-specific information may also reveal personally-identifiable information.

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HUGHES Telematics anticipates that as telematics programs continue to develop in the future, it will be possible to collect or monitor substantially more of this kind of information. A growing body of laws designed to protect the privacy of personally-identifiable information, as well as to protect against its misuse, and the judicial interpretations of such laws, may adversely affect the growth of HUGHES Telematics' business. In the United States, these laws could include the Federal Trade Commission Act, the Electronic Communications Privacy Act, the Fair Credit Reporting Act and the Gramm-Leach Bliley Act, as well as various state laws and related regulations. In addition, certain governmental agencies, like the Federal Trade Commission, have the authority to protect against the misuse of consumer information by targeting companies that collect, disseminate or maintain personal information in an unfair or deceptive manner. In particular, such laws could limit HUGHES Telematics' ability to collect information related to users of its services, to store or process that information in what would otherwise be the most efficient manner, or to commercialize new services based on new technologies. The evolving nature of all of these laws and regulations, as well as the evolving nature of various governmental bodies' enforcement efforts, and the possibility of new laws in this area, may adversely affect HUGHES Telematics' ability to collect and disseminate or share certain information about consumers and may negatively affect the ability of automakers or dealers to make use of that information. If HUGHES Telematics fails to successfully comply with applicable regulations in this area, its business and prospects could be harmed.

Consumer avoidance of services which collect, store or use personally-identifiable data could adversely affect HUGHES Telematics' business.

Consumer sentiment regarding privacy issues is constantly evolving. Such consumer sentiment may affect the buying public's interest in HUGHES Telematics' current or future service offerings. In some cases, consumer groups and individual consumers have already begun to vigorously lobby against, or otherwise express significant concern over, the collection, storage and/or use of personally-identifiable information. Accordingly, privacy concerns of consumers may influence automakers to refrain from adopting telematics programs, especially those which involve more robust programs, which could in turn harm the overall telematics industry or, depending on HUGHES Telematics' programs, its prospects. Moreover, strong consumer attitudes often precipitate new regulations like the ones described above. If HUGHES Telematics fails to successfully monitor and consider the privacy concerns of consumers, its business and prospects would be harmed.

The inability of HUGHES Telematics to identify, hire and retain qualified personnel will adversely affect its business.

HUGHES Telematics' continued success will depend to a significant extent upon the performance and contributions of its senior management and upon its ability to attract, motivate and retain highly qualified employees. HUGHES Telematics is dependent upon key senior management to effectively manage HUGHES Telematics' business in a highly competitive environment. If one or more of the HUGHES Telematics' key officers joins a competitor or forms a competing company, HUGHES Telematics may experience material interruptions in product development, delays in bringing products to market, difficulties in its relationships with automakers, suppliers and customers and loss of additional personnel, which could significantly harm its business, financial condition and operating results.

Additionally, failure to continue to attract and retain qualified management personnel could adversely affect HUGHES Telematics' business and projected growth. HUGHES Telematics competes to hire new employees, and then must train them and develop their skills and competencies. HUGHES Telematics' operating results could be adversely affected by increased costs due to increased competition for employees, higher employee turnover or increased employee benefit costs. Any unplanned turnover could deplete HUGHES Telematics' institutional knowledge base and erode its competitive advantage.

Investors evaluating the proposals described in this proxy statement will not have, prior to the special meeting, certain information relating to compensation arrangements for the officers, directors and employees of the combined company.

Significant compensation decisions will be made by Polaris' board of directors and compensation committee after the merger. While it is generally anticipated that HUGHES Telematics' current officers and employees will continue in the same or substantially the same capacities with HUGHES Telematics after the

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merger, none of them has entered into or is entering into an employment agreement in connection with the merger. Accordingly, their compensation arrangements will be subject to review and change from time to time, including in the near term, by the board of Polaris and its compensation committee following the merger. Although the board of directors and compensation committee will have a fiduciary duty to make fair and reasonable compensation decisions, future compensation arrangements cannot be currently quantified and therefore investors must recognize the presently indeterminate nature of this factor in their economic analysis of the merger and the related proposals discussed in this proxy statement.

HUGHES Telematics is a private company. Fulfilling our obligations as a public company after completing the merger will be expensive and time consuming.

HUGHES Telematics is a private company and is not required to prepare or file periodic and other reports with the SEC under the applicable U.S. federal securities laws or to comply with the requirements of U.S. federal securities laws applicable to public companies, such as Section 404 of the Sarbanes-Oxley Act of 2002 (the Sarbanes-Oxley Act). Although HUGHES Telematics has maintained a relatively small finance and accounting staff and HUGHES Telematics has maintained disclosure controls and procedures and internal control over financial reporting as required

The inability of HUGHES Telematics to identify, hire and retain qualified personnel will adversely affect its business.

under the U.S. federal securities laws with respect to its activities, neither HUGHES Telematics nor we were required to establish and maintain such disclosure controls and procedures and internal controls over financial reporting as required with respect to a public company with substantial operations.

Under the Sarbanes-Oxley Act and the related rules and regulations of the SEC, as well as the rules of the American Stock Exchange and NASDAQ, we will be required to implement additional corporate governance practices and to adhere to a variety of reporting requirements and accounting rules. Compliance with these obligations will require significant time and resources from our management and our finance and accounting staff and will increase our legal, insurance and financial compliance costs. We may also need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge. As a result of the increased costs associated with being a public company, our operating income as a percentage of revenue is likely to be lower.

We must comply with Section 404 of the Sarbanes-Oxley Act in a relatively short timeframe, which will require us to document and test our internal controls over financial reporting for fiscal 2009 and beyond. Any delays or difficulty in satisfying these requirements could adversely affect our future results of operations and stock price.

Section 404 of the Sarbanes-Oxley Act requires us to document and test the effectiveness of our internal controls over financial reporting in accordance with an established control framework and to report on our management's conclusion as to the effectiveness of these internal controls over financial reporting beginning with the fiscal year ending December 31, 2009. We will also be required to have an independent registered public accounting firm test the internal controls over financial reporting and report on the effectiveness of such controls for the fiscal year ending December 31, 2009 and subsequent years. Any delays or difficulty in satisfying these requirements could adversely affect future results of operations and our stock price. We may also incur significant costs to comply with these requirements.

We may in the future discover areas of internal controls over financial reporting that need improvement. There can be no assurance that remedial measures will result in adequate internal controls over financial processes and reporting in the future. Any failure to implement the required new or improved controls, or difficulties encountered in their implementation, could materially adversely affect our results of operations or could cause us to fail to meet our reporting obligations. If we are unable to conclude that we have effective internal controls over financial reporting, or if our independent registered public accounting firm is unable to provide an unqualified report regarding the effectiveness of internal controls over financial reporting as required by Section 404 of the Sarbanes-Oxley Act, investors may lose confidence in the reliability of our financial statements, which could result in a decrease in the value of our securities. In addition, failure to comply with Section 404 of the Sarbanes-Oxley Act could potentially subject us to sanctions or investigation by the SEC or other regulatory authorities.

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Risks Related to Our Organization and Structure Following the Merger with HUGHES Telematics

The voting power of our shares will be concentrated in the hands of HUGHES Telematics stockholders, with a majority of the voting power beneficially owned by Apollo.

Immediately after the closing of the merger and subject to certain adjustments, HUGHES Telematics stockholders will beneficially own shares of our common stock which collectively represent approximately 79% of our voting power. If all warrants held by Polaris stockholders are exercised, the concentration of voting power in the hands of HUGHES Telematics stockholders will decrease to approximately 65% (assuming no exercise of options held by HUGHES Telematics optionholders and no Polaris stockholders elect to convert their shares for cash).

In addition, upon the closing of the merger, Polaris, the Polaris initial stockholders and certain HUGHES Telematics stockholders, including Apollo, will enter into a shareholders' agreement. The parties to the shareholders' agreement have agreed that the initial post-closing board of directors will be comprised of (i) Jeffrey A. Leddy, Andrew D. Africk, Matthew H. Nord, _____, and _____, or such other persons designated by Apollo prior to the closing of the merger (at least one of whom must be considered independent under the rules of the American Stock Exchange and NASDAQ), (ii) Marc V. Byron, or such other person designated by the board of directors of Polaris prior to the closing of the merger who is reasonably acceptable to Apollo and (iii) _____ and _____, or such other persons mutually designated by Polaris' board of directors and Apollo, each of whom the board of directors of Polaris has determined to be independent under the rules of the American Stock Exchange and NASDAQ. Accordingly, Apollo will have significant control over the combined company after the merger. There is a risk that the interests of Apollo and these directors will not be consistent with the interests of our other stockholders. A more complete description of the shareholders' agreement can be found below under [Agreements Related to the Merger](#) Shareholders' Agreement.

Because of their board representation and control of approximately 79% of our voting power immediately after the closing of the merger, HUGHES Telematics stockholders, including Apollo, which shall control approximately 67% of the total voting power, will be able to exert considerable influence and control over the combined company and the outcome of all matters requiring stockholder approval. Apollo may be able to cause, prevent or delay a change of control of our company or a change in the composition of our board of directors, and could preclude any unsolicited acquisition of our company. In addition, because Apollo may substantially determine the outcome of a stockholder vote, it could deprive stockholders of an opportunity to receive a premium for their shares as part of a sale of our company, and that voting control could ultimately affect the market price of our common stock.

We will be a controlled company within the meaning of both the American Stock Exchange and NASDAQ corporate governance standards, and, as a result, will rely on exemptions from certain corporate governance requirements that provide protection to stockholders of other companies.

After the completion of the merger, Apollo will own more than 50% of the total voting power of our common stock and we will be a controlled company under both the American Stock Exchange and NASDAQ corporate governance standards. As a controlled company, certain exemptions under both the American Stock Exchange and NASDAQ standards will free us from the obligation to comply with certain American Stock Exchange and NASDAQ corporate governance requirements, respectively, including the requirement to maintain a majority of independent directors on our board of directors and the requirements regarding the determination of compensation of executive officers and the nomination of directors by independent directors. As a result of our use of the controlled company exemptions, you will not have the same protection afforded to stockholders of companies that are subject to all of the American Stock Exchange and NASDAQ corporate governance requirements.

The voting power of our shares will be concentrated in the hands of HUGHES Telematics stockholders, with a major

Risks Related to the Merger with HUGHES Telematics

If the benefits of the merger do not meet the expectations of the marketplace, investors, financial analysts or industry analysts, the market price of Polaris securities may decline.

The market price of our common stock may decline as a result of the merger if HUGHES Telematics does not perform as expected or if we do not otherwise achieve the perceived benefits of the merger as

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rapidly as, or to the extent anticipated by, the marketplace, investors, financial analysts or industry analysts. Accordingly, investors may experience a loss as a result of a decreasing stock price, and we may not be able to raise future capital, if necessary, in the equity markets.

Our current directors either directly or beneficially own shares of common stock and warrants and have other interests in the merger that are different from and in addition to yours.

In transactions occurring in June 2007, our initial stockholders purchased 5,175,000 shares of Polaris common stock for an aggregate purchase price of \$25,000 and contributed 862,500 of these shares back to us in January 2008.

Because the underwriters did not exercise their over-allotment option in Polaris' initial public offering, our initial stockholders also forfeited an aggregate of 562,500 shares of Polaris common stock in April 2008.

In a private placement concurrent with Polaris' initial public offering, our initial stockholders, including our officers and directors, purchased an aggregate of 4,500,000 insider warrants with an exercise price of \$7.00 at a purchase price of \$1.00 per warrant (for a purchase price of \$4.5 million in the aggregate).

In light of the amount of consideration paid, our initial stockholders will likely benefit from the consummation of the merger, even if the merger causes the market price of our securities to significantly decrease. Furthermore, the \$4.5 million purchase price of the 4,500,000 insider warrants will be included in the funds that are distributed to our public stockholders in the event of our dissolution and liquidation. This may influence their motivation for promoting the merger and/or soliciting proxies for the approval of the merger proposal. Our initial stockholders' common stock and warrants had an aggregate market value (without taking into account any discount due to the restricted nature of such securities) of \$ based on the closing sale prices of \$ and \$, respectively, on the American Stock Exchange on , 2008. These securities are subject to lock-up agreements and, subject to certain exceptions, the common stock may not be sold, assigned or transferred until at least one year after we consummate a business combination and the warrants may not be sold, assigned or transferred until at least 45 days after the closing of the merger, and our initial stockholders have waived any rights to receive any liquidation proceeds that may be distributed upon our liquidation in respect of shares they acquired prior to our initial public offering (their initial shares). Therefore, if the merger proposal is not approved and we are required to commence proceedings to dissolve and liquidate, the shares and warrants held directly or beneficially by our initial stockholders will be worthless.

In particular, in considering the recommendation of Polaris' board of directors elsewhere in this proxy statement to vote FOR the merger proposal, you should also be aware that (i) if the merger is not approved and Polaris fails to consummate an alternative transaction within the time allotted, the shares of common stock issued prior to Polaris

initial public offering and warrants held by Polaris directors will be worthless because Polaris directors are not entitled to receive any of the net proceeds of Polaris initial public offering that may be distributed upon liquidation of Polaris (except with respect to shares purchased in the open market). Polaris initial stockholders acquired shares of Polaris common stock prior to its initial public offering at a price per share of \$0.006. Polaris initial stockholders will therefore also benefit if the merger is approved. For example, the units and the warrants purchased by the initial stockholders of Polaris prior to Polaris initial public offering in the aggregate would be worth \$ and \$, respectively, upon consummation of the merger and the unrealized profit from such securities would be \$ and \$, respectively (in each case, based on an assumed market price of the units and the warrants of Polaris of \$ and \$, respectively).

Our initial stockholders have waived their rights to participate in any liquidation distribution with respect to the initial stockholders common stock acquired prior to our initial public offering. We will pay the costs of liquidation from our remaining assets outside of the trust account. If such funds are insufficient, Marc V. Byron and Lowell D. Kraff have agreed to advance us the funds necessary to complete such liquidation (currently anticipated to be no more than approximately \$15,000) and have agreed not to seek repayment for such expenses.

In addition, our initial stockholders, officers, directors or their affiliates may be reimbursed for any out-of-pocket expenses incurred by them in connection with certain activities on our behalf, such as identifying, investigating and consummating our initial business combination. If a business combination is not consummated, our officers and directors will not receive reimbursement for any out-of-pocket expenses

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incurred by them to the extent that such expenses exceed the interest income on the trust account available to us for working capital purposes (up to an aggregate of \$1.8 million). On the other hand, if we complete a business combination within the required time frame, those expenses will be repaid by Polaris without limitation. Consequently, our officers and directors may have an incentive to approve and complete a business combination other than just what is in the best interest of our stockholders.

The price of our common stock after the merger may be less than what you originally paid for your shares of common stock prior to the merger.

The market price of Polaris common stock may decline as a result of the merger if:

the market for common shares of companies in the telematics industry is volatile;
HUGHES Telematics does not perform as expected;
market conditions in the telematics industry fluctuate;

Polaris does not achieve the perceived benefits of the merger as rapidly as, or to the extent anticipated by, financial or industry analysts;

the effect of the merger on Polaris financial results is not consistent with the expectations of financial or industry analysts; or

there is a change in the general state of the capital markets.

Accordingly, investors may experience a loss as a result of a decreasing stock price, and Polaris may not be able to raise future capital, if necessary, in the equity markets or through other financing.

Our current directors either directly or beneficially own shares of common stock and warrants and have other interests

We expect to incur significant costs associated with the merger, whether or not the merger is completed, which will reduce the amount of cash otherwise available for other corporate purposes.

We expect to incur significant costs associated with the merger, whether or not the merger is completed. These costs will reduce the amount of cash otherwise available for other corporate purposes. There is no assurance that the actual costs will not exceed our estimates. There is no assurance that the significant costs associated with the merger will prove to be justified in light of the benefit ultimately realized.

If the merger with HUGHES Telematics is not completed, we may have insufficient time or funds to complete an alternate business combination and may be forced to liquidate. Holders of our common stock and warrants may incur losses.

Pursuant to our certificate of incorporation, among other things, we must complete a business combination with a target business having a fair market value of at least 80% of our net assets at the time of acquisition (less the deferred underwriting discount and commissions of approximately \$6.8 million and taxes payable) by January 11, 2010. If we fail to consummate a business combination within the required time frame, we will, in accordance with our certificate of incorporation, dissolve, liquidate and wind up. If the merger proposal is not approved by our stockholders or if 30% or more of the holders of Polaris common stock issued in our initial public offering vote against the merger and properly exercise their conversion rights, we will not complete the merger and may not be able to consummate an alternate business combination within the required time frame, either due to insufficient time or insufficient operating funds. In any liquidation the amount held in the trust account, inclusive of any interest, plus any remaining net assets (subject to our obligations under Delaware law to provide for claims of creditors as described below), will be distributed on a pro rata basis to the holders of Polaris common stock issued in our initial public offering. Our initial stockholders have waived their rights to participate in any liquidation distribution with respect to their initial shares. There will be no distribution from the trust account with respect to our warrants.

If we dissolve and liquidate before we consummate a business combination and distribute the trust account, our public stockholders will receive less than the unit offering price in our initial public offering of \$10.00 and our warrants will expire and become worthless.

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If we are forced to dissolve and liquidate, payments from the trust account to our public stockholders may be delayed.

If we neither consummate the merger with HUGHES Telematics nor consummate any other business combination by January 11, 2010, we anticipate notifying the trustee of the trust account to begin liquidating such assets promptly after such date and anticipate it will take no more than 10 business days to effectuate such distribution.

We currently expect that the costs associated with the implementation and completion of the plan of dissolution and liquidation will be no more than approximately \$15,000. We will pay the costs of liquidation from our remaining assets outside of the trust fund. If such funds are insufficient, Marc V. Byron and Lowell D. Kraff have agreed to advance us the funds necessary to complete such dissolution and/or liquidation and have agreed not to seek repayment of such expenses; however, there is no guarantee that the assets of Messrs. Byron and Kraft will be sufficient to satisfy

We expect to incur significant costs associated with the merger, whether or not the merger is completed, which will

our dissolution and/or liquidation expenses.

Our stockholders may be held liable for claims by third parties against us to the extent of distributions received by them.

If we are unable to complete an initial business combination by January 11, 2010, our corporate existence will cease except for the purposes of winding up our affairs and liquidating pursuant to Section 278 of the Delaware General Corporation Law, in which case we will as promptly as practicable thereafter approve a plan of distribution in accordance with Section 281(b) of the Delaware General Corporation Law. Section 278 provides that our existence will continue for at least three years after its expiration for the purpose of prosecuting and defending suits, whether civil, criminal or administrative, by or against us, and of enabling us gradually to settle and close our business, to dispose of and convey our property, to discharge our liabilities and to distribute to our stockholders any remaining assets, but not for the purpose of continuing the business for which we were organized. Our existence will continue automatically even beyond the three-year period for the purpose of completing the prosecution or defense of suits begun prior to the expiration of the three-year period, until such time as any judgments, orders or decrees resulting from such suits are fully executed. Section 281(b) will require us to pay or make reasonable provision for all then-existing claims and obligations, including all contingent, conditional, or unmatured contractual claims known to us, and to make such provision as will be reasonably likely to be sufficient to provide compensation for any then-pending claims and for claims that have not been made known to us or that have not arisen but that, based on facts known to us at the time, are likely to arise or to become known to us within 10 years after the date of dissolution. Accordingly, we would be required to provide for any creditors known to us at that time or those that we believe could be potentially brought against us within the subsequent 10 years prior to distributing the funds held in the trust to stockholders. However, because we are a blank check company, rather than an operating company, and our operations have been and will be limited to searching for prospective target businesses to acquire, the only likely claims to arise would be from our vendors that we engage (such as accountants, lawyers, investment bankers, etc.) and potential target businesses. We have attempted to have HUGHES Telematics and all vendors that we have engaged since the consummation of our initial public offering and intend to have all vendors that we engage until the completion of our initial business combination execute agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in the trust account. Accordingly, we believe the claims that could be made against us should be limited, thereby lessening the likelihood that any claim would result in any liability extending to the trust. However, we cannot assure you that we will properly assess all claims that may be potentially brought against us. As such, our stockholders could potentially be liable for any claims to the extent of distributions received by them (but no more) and any liability of our stockholders may extend well beyond the third anniversary of the date of distribution. Accordingly, we cannot assure you that third parties will not seek to recover from our stockholders amounts owed to them by us.

If we are forced to file a bankruptcy case or an involuntary bankruptcy case is filed against us which is not dismissed, any distributions received by stockholders could be viewed under applicable debtor/creditor and/or bankruptcy laws as either a preferential transfer or a fraudulent conveyance. As a result, a bankruptcy court could seek to recover all amounts received by our stockholders. Furthermore, because we intend to distribute the proceeds held in the trust account to our public stockholders promptly after January 11, 2010 in the event we do not consummate a business combination, this may be viewed or interpreted as giving

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preference to our public stockholders over any potential creditors with respect to access to or distributions from our assets. Furthermore, our board may be viewed as having breached their fiduciary duties to our creditors and/or may have acted in bad faith, and thereby exposing itself and our company to claims of punitive damages, by paying public

If we are forced to dissolve and liquidate, payments from the trust account to our public stockholders may be delayed

stockholders from the trust account prior to addressing the claims of creditors. We cannot assure you that claims will not be brought against us for these reasons.

Our ability to request indemnification from HUGHES Telematics stockholders for damages arising out of the merger is limited.

At the closing of the merger, 5,389,767 shares, or 7.5% of the Polaris common stock to be issued to HUGHES Telematics stockholders (including 7.5% of the earn-out shares), will be deposited into escrow as the sole remedy for the obligation of HUGHES Telematics stockholders to indemnify and hold us harmless for any damages, whether as a result of any third-party claim or otherwise, and by reason of, arising out of or resulting from the breach of representations and warranties and agreements and covenants of HUGHES Telematics. We may only assert claims for indemnification once the damages exceed \$2.0 million in the aggregate, in which event the amount payable will include this \$2.0 million and all additional and future amounts that become payable. Accordingly, it is possible that we will not be entitled to indemnification even if HUGHES Telematics is found to have breached its representations, warranties, agreements and covenants contained in the merger agreement and other transaction documents if such breach would only result in damages to us of less than \$2.0 million.

Further, except in case of fraud, willful misrepresentation or intentional breach, our sole remedy for damages will be the shares of Polaris common stock held in escrow at the time of payment. At the closing of the merger, these escrowed shares will consist of (x) 3,292,137 shares of Polaris common stock, which will be released 15 months after the closing of the merger and (y) 2,097,630 of the 27,968,436 earn-out shares, divided into three tranches, which will be released to HUGHES Telematics stockholders upon the achievement of specified price targets over the five-year period following the closing of the merger. Accordingly, it is possible that we will not be entitled to full indemnification even if HUGHES Telematics is found to have breached its representations, warranties, agreements and covenants contained in the merger agreement and other transaction documents to the extent such breach results in damages in excess of the value of shares of Polaris common stock held in escrow at the time of payment.

The pro forma financial statements are not necessarily indicative of the financial position or results of operations of HUGHES Telematics.

The pro forma financial statements contained in this proxy statement are not an indicator of HUGHES Telematics financial condition or results of operations following the merger. The pro forma financial statements have been derived from the historical financial statements of HUGHES Telematics and Polaris and many adjustments and assumptions have been made regarding HUGHES Telematics after giving effect to the merger. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make with complete accuracy. As a result, the actual financial condition and results of operations of HUGHES Telematics following the merger may not be consistent with, or evident from, these pro forma financial statements.

If Polaris stockholders fail to vote or abstain from voting on the merger proposal, they may not exercise their conversion rights to convert their shares of Polaris common stock into a pro rata portion of the trust account as of the record date.

Polaris stockholders holding shares of Polaris common stock issued in our initial public offering who affirmatively vote against the merger proposal may elect that we convert their shares into a pro rata portion of the trust account calculated as of two business days prior to the completion of the merger. An eligible stockholder may request conversion at any time after the mailing to our stockholders of the proxy statement and prior to the vote taken with respect to the proposed merger with HUGHES Telematics at the special meeting of stockholders. Polaris stockholders

Our stockholders may be held liable for claims by third parties against us to the extent of distributions received by them.

who seek to exercise this conversion right must affirmatively vote against the merger and properly deliver their shares to Polaris stock transfer agent by 5:00 p.m., New York City time, on _____, 2008, the business day prior to the special meeting. Any Polaris stockholder who fails to vote (including where shares are broker non-voted, as described below) or who abstains from

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voting on the merger proposal may not exercise his conversion rights and will not receive a pro rata portion of the trust account for conversion, calculated as of two business days prior to the consummation of the merger, of his shares.

Our working capital will be reduced if Polaris stockholders exercise their right to convert their shares into cash. This would reduce our cash reserve after the merger.

Pursuant to our certificate of incorporation, holders of shares issued in our initial public offering may vote against the merger and elect that we convert their shares into a pro rata share of the trust account calculated as of two business days prior to the consummation of the merger. We will not consummate the merger if 30% or more of the shares of Polaris common stock that were issued in our initial public offering vote against the merger proposal and properly exercise their conversion rights. To the extent the merger is consummated and up to, but less than, 30% of holders have properly elected to convert their shares, there will be a corresponding reduction in the amount of funds available to the combined company following the merger. Additionally, if holders properly elect to convert their shares, there may be a corresponding reduction in the value of each share of common stock of the combined company. As of _____, 2008, the record date, assuming the merger proposal is adopted, the maximum amount of funds that could be disbursed to our stockholders upon the exercise of their conversion rights is approximately \$ _____, or approximately 29.99% of the funds then held in the trust account. Any payment upon exercise of conversion rights will reduce our cash after the merger. As a company in the early stage of its growth and development, the combined company will require significant capital to grow and eventually become profitable and may require additional sources of capital to the extent that funds disbursed to our stockholders upon the exercise of their conversion rights result in working capital shortfalls.

We will be required to issue additional shares of Polaris common stock to the HUGHES Telematics stockholders if our net working capital at closing falls below \$138.0 million or if HUGHES Telematics raises additional equity prior to closing.

The merger agreement requires us to issue additional shares of Polaris common stock at the closing of the merger to HUGHES Telematics stockholders if our net working capital (not including any liability to Polaris stockholders who have properly elected to convert their shares into cash) falls below \$138.0 million at closing. The number of Polaris shares issued will equal the working capital shortfall amount divided by \$10.00. We do not expect to have a working capital shortfall at closing; however, such a shortfall may arise if, prior to closing, we incur significant, unexpected expenses or if the investments in the trust account do not perform as they have to date. We will also be required to issue at the closing of the merger up to 7,500,000 additional shares of Polaris common stock for the value of up to \$75.0 million of additional equity raised by HUGHES Telematics prior to the closing of the merger, if any. The issuance of such additional shares of Polaris common stock will dilute your ownership interest in the combined company.

If Polaris stockholders fail to vote or abstain from voting on the merger proposal, they may not exercise their conversion

Our issuance of preferred stock could adversely affect our common stockholders.

If the pre-closing certificate amendment proposal is approved at the special meeting, our amended and restated certificate of incorporation will be amended to authorize the issuance of additional shares of preferred stock with such voting rights, full or limited, and such designations, preferences and relative, participating, optional or special rights and such qualifications, limitations or restrictions as may be determined from time to time by our board of directors.

Accordingly, our board of directors will be empowered, without stockholder approval, to issue greater amounts of preferred stock with dividends, liquidation, conversion, voting or other rights that could adversely affect the relative voting power or other rights of the holders of Polaris common stock. In the event of issuance, the preferred stock could be used as a method of discouraging, delaying or preventing a change in control of the combined company, which could have the effect of discouraging bids for the combined company and thereby potentially prevent stockholders from receiving the maximum value for their shares. Our board of directors is currently authorized to issue 1,000,000 shares of blank check preferred stock and if the pre-closing certificate amendment proposal is approved at the special meeting, there will be 10,000,000 shares of preferred stock available for designation.

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Risks Related to Our Securities

A substantial number of shares of Polaris common stock will be issued in the future as a result of the merger and will become eligible for future resale in the public market after the merger, which will result in substantial dilution and could have an adverse effect on the market price of those shares.

We expect that 71,863,548 shares of Polaris common stock, including the earn-out shares, and options exercisable for 2,650,538 shares of Polaris common stock, including the earn-out options, will be issued in connection with the merger at the closing. Upon consummation of the merger, there will be 90,613,548 shares of our common stock outstanding, assuming no election of conversion of shares by Polaris public stockholders, and warrants and options outstanding to purchase an additional 22,150,538 shares of Polaris common stock. Immediately after giving effect to the merger and excluding the earn-out shares and shares issuable upon the exercise of outstanding warrants and options, HUGHES Telematics stockholders will, collectively, own approximately 70% of the outstanding Polaris common stock. Polaris existing stockholders would own approximately 30% of the outstanding Polaris common stock.

Three equal tranches comprised of an aggregate of 27,968,436 earn-out shares of Polaris common stock will be issued into escrow upon consummation of the merger and will be released to HUGHES Telematics stockholders if the trading price of Polaris common stock equals or exceeds \$20.00, \$24.50 and \$30.50 within certain measurement periods over the five-year period following the closing of the merger. Additionally, earn-out options exercisable for an aggregate of 1,031,557 shares of Polaris common stock, which will be divided into three equal tranches, will be issued to HUGHES Telematics optionholders upon consummation of the merger. The earn-out options in each tranche will not be exercisable by HUGHES Telematics optionholders until after the specified price targets of \$20.00, \$24.50 and \$30.50 have been met within certain measurement periods over the five-year period following the closing of the merger. While the earn-out shares are held in escrow, HUGHES Telematics stockholders may vote the shares without restriction on any matters brought to a vote of Polaris stockholders. Assuming the price targets are achieved, HUGHES Telematics stockholders will, collectively, own approximately 79% of the outstanding Polaris common

stock (assuming no exercise of the outstanding Polaris warrants and no Polaris stockholders elect to convert their shares for cash). Polaris existing stockholders would then own approximately 21% of the outstanding Polaris common stock.

As of the date of this proxy statement, there were 18,750,000 shares of Polaris common stock issued and outstanding. As a result of the dilutive effect of the issuance of our stock in the merger, for purposes of illustration, a stockholder who owned 5.0% of the outstanding shares of Polaris common stock on , 2008, would own approximately 1.0% of the outstanding shares of Polaris common stock immediately following the closing of the merger (including all earn-out and indemnity shares issued into escrow), assuming no exercise of outstanding Polaris warrants and no issuance of additional shares because of a working capital shortfall or additional equity raised by HUGHES Telematics.

The shares issued to certain HUGHES Telematics stockholders will be restricted and cannot be sold publicly until the expiration of the restricted period under the shareholders agreement (generally continuing until two years from the closing of the merger), under Rule 144 promulgated under the Securities Act of 1933 (the Securities Act) (unless registered under the Securities Act pursuant to the shareholders agreement) and, in the case of the escrowed indemnity shares and escrowed earn-out shares, until the expiration of the applicable escrow period. The presence of these additional shares eligible for trading in the public market after the expiration of the restricted period, registration pursuant to the shareholders agreement or the expiration of the applicable escrow period could adversely affect the market price of Polaris common stock and warrants. Upon expiration of the restricted period, registration pursuant to the shareholders agreement or the expiration of the applicable escrow period, sales of substantial numbers of shares of common stock in the public market could also adversely affect the market price of Polaris common stock and warrants.

Additionally, after completion of the merger through the issuance of shares of Polaris common stock to HUGHES Telematics stockholders, our public stockholders will incur immediate dilution in the net tangible book value of common stock held immediately prior to the merger.

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The combined company may issue additional equity securities which may dilute your interest in the combined company.

In order to expand the combined company's business, the combined company may consider offering and issuing additional equity securities. Holders of the combined company's securities may experience a dilution in the net tangible book value per share held by them if this occurs. The number of shares that the combined company may issue for cash without stockholder approval will be limited by the rules of the exchange on which the combined company's securities are listed. However, there are generally exceptions which allow companies to issue a limited number of equity securities which would dilute your ownership.

The American Stock Exchange may delist our securities, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.

Our securities are listed on the American Stock Exchange. We intend to seek to have our securities approved for listing on either the NASDAQ Global Market or the NASDAQ Capital Market following consummation of the merger. We cannot assure you that our securities will continue to be listed on the American Stock Exchange, as we

might not meet certain continued listing standards such as income from continuing operations, or that our securities will be approved for listing on either the NASDAQ Global Market or the NASDAQ Capital Market. Additionally, until such time as we voluntarily delist from the American Stock Exchange in connection with the merger with HUGHES Telematics, in connection with the merger, the American Stock Exchange may require us to file a new initial listing application and meet its initial listing requirements as opposed to its more lenient continued listing requirements. We cannot assure you that we will be able to meet those initial listing requirements at that time.

If we fail to have our securities listed on either the NASDAQ Global Market or the NASDAQ Capital Market, and the American Stock Exchange delists our securities from trading on its exchange, we could face significant consequences including:

- a limited availability for market quotations for our securities;
- reduced liquidity with respect to our securities;
- a determination that our common stock is a penny stock which will require brokers trading in our common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our common stock;
- limited amount of news and analyst coverage for our company; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

We may choose to redeem our outstanding warrants at a time that is disadvantageous to our warrant holders.

We may redeem the warrants issued as a part of our units at any time after the warrants become exercisable in whole and not in part, at a price of \$0.01 per warrant, upon a minimum of 30 days prior written notice of redemption, if, and only if, the last sales price of our common stock equals or exceeds \$14.25 per share for any 20 trading days within a 30-trading day period ending three business days before we send the notice of redemption. Redemption of the warrants could force the warrant holders (1) to exercise the warrants and pay the exercise price therefor at a time when it may be disadvantageous for the holders to do so, (2) to sell the warrants at the then current market price when they might otherwise wish to hold the warrants or (3) to accept the nominal redemption price which, at the time the warrants are called for redemption, is likely to be substantially less than the market value of the warrants.

An active market for our common stock may not develop.

Our common stock is currently listed on the American Stock Exchange and trades under the symbol TKP. If the transaction is approved, we intend to apply for listing of our shares on either the NASDAQ Global Market or the NASDAQ Capital Market. However, we cannot assure you a regular trading market of our shares will develop on either the NASDAQ Global Market or the NASDAQ Capital Market or elsewhere or, if developed, that any market will be sustained. Accordingly, we cannot assure you of the likelihood that

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an active trading market for our shares will develop or be maintained, the liquidity of any trading market, your ability to sell your shares when desired, or at all, or the prices that you may obtain for your shares.

The value of our common stock and warrants may be adversely affected by market volatility.

The American Stock Exchange may delist our securities, which could limit investors' ability to make transactions in

Even if an active trading market develops, the market price of our shares and warrants may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume in our shares and warrants may fluctuate and cause significant price variations to occur. If the market prices of our shares and warrants decline significantly, you may be unable to resell your shares and warrants at or above your purchase price, if at all. We cannot assure you that the market price of our shares and warrants will not fluctuate or decline significantly in the future. Some of the factors that could negatively affect the price of our shares and warrants or result in fluctuations in the price or trading volume of our shares and warrants include:

- variations in our quarterly operating results or dividends;
- failure to meet analysts' earnings estimates or failure to meet, or the lowering of, our own earnings guidance;
- publication of research reports about us or the telematics industry or the failure of securities analysts to cover our shares after the merger with HUGHES Telematics;
- departures of HUGHES Telematics key personnel;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;
- actions by stockholders;
- changes in market valuations of similar companies;
- speculation in the press or investment community;
- changes or proposed changes in laws or regulations or differing interpretations thereof affecting our business or enforcement of these laws and regulations, or announcements relating to these matters;
- adverse publicity about the telematics industry generally or individual scandals, specifically;
- fluctuations for reasons unrelated to the telematics business or our results of operations (for example, we believe some investors closely link the performance of automaker stocks with the stocks of telematics-related companies); and
- general market and economic conditions.

Our outstanding warrants may be exercised in the future, which would increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders. This might have an adverse effect on the market price of our common stock.

Outstanding redeemable warrants to purchase an aggregate of 19,500,000 shares of common stock (including 4,500,000 warrants beneficially owned by our initial stockholders that will be released from escrow 45 days after the completion of our initial business combination) will become exercisable after the later of the consummation of our initial business combination or January 11, 2009. These warrants would only be exercised if the \$7.00 per share exercise price is below the market price of our common stock. On _____, the closing sale price of a share of Polaris common stock was \$ _____. To the extent they are exercised, additional shares of our common stock will be issued, which will result in dilution to our stockholders and increase the number of shares eligible for resale in the public market.

Assuming the exercise of all of the outstanding warrants, including those beneficially owned by our initial stockholders, there would be 82,145,112 shares outstanding, including the 43,895,112 shares of common stock provided to the HUGHES Telematics stockholders at the closing of the merger but not including earn-out shares issued into escrow, which would significantly increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could adversely affect the market price of our shares.

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An effective registration statement may not be in place when an investor desires to exercise warrants, thus precluding such investor from being able to exercise his, her or its warrants and causing such warrants to be practically

worthless.

No warrant will be exercisable and we will not be obligated to issue shares of common stock unless at the time a holder seeks to exercise such warrant, we have a registration statement under the Securities Act relating to the common stock issuable upon exercise of the warrant and a current prospectus relating to that common stock and the common stock has been registered or qualified or deemed to be exempt under the securities laws of the state of residence of the holder of the warrants. Under the terms of the warrant agreement, we have agreed to use our best efforts to meet these conditions and to maintain a current prospectus relating to the common stock issuable upon exercise of the warrants until the expiration of the warrants. However, we cannot assure you that we will be able to do so, and if we do not maintain a current prospectus related to the common stock issuable upon exercise of the warrants, holders will be unable to exercise their warrants and we will not be required to settle any such warrant exercise, whether by net cash settlement or otherwise. If the prospectus relating to the common stock issuable upon the exercise of the warrants is not current or if the common stock is not qualified or exempt from qualification in the jurisdictions in which the holders of the warrants reside, the warrants may have no value, the market for the warrants may be limited and the warrants may expire worthless. Notwithstanding the foregoing, the insider warrants purchased by our initial stockholders simultaneously with the consummation of our initial public offering may be exercisable for unregistered shares of common stock even if the prospectus relating to the common stock issuable upon exercise of the warrants is not current.

Failure to complete the merger could negatively impact the market price of Polaris common stock and may make it more difficult for Polaris to attract another acquisition candidate, resulting, ultimately, in the disbursement of the trust proceeds, causing investors to experience a loss on their investment.

If the merger is not completed for any reason, Polaris may be subject to a number of material risks, including:

the market price of Polaris common stock may substantially decline to the extent that the current market price of its common stock reflects a market assumption that the merger will be consummated; costs related to the merger, such as legal and accounting fees and certain costs related to the fairness opinion, must be paid even if the merger is not completed; and charges will be made against earnings for transaction-related expenses, which could be higher than expected. Such decreased market price and added costs and charges of the failed merger, together with the history of failure in consummating a business combination, may make it more difficult for Polaris to attract another target business, resulting, ultimately, in the disbursement of the trust proceeds, causing investors to experience a loss on their investment.

If third parties bring claims against us, the proceeds held in trust may be reduced and the per share liquidation price received by you will be less than \$10.00 per share.

Our placing of funds in trust may not protect those funds from third-party claims against us. Although we seek to have all vendors, prospective target businesses or other entities that we engage execute agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in the trust account, there is no guarantee that all vendors, prospective target businesses or other entities that we engage will execute such agreements, or if executed, that this will prevent potential contracted parties from making claims against the trust account or that a court would not conclude that such agreements are not legally enforceable. Nor is there any guarantee that such entities will agree to waive any claims they may have in the future as a result of, or arising out of, any negotiations, contracts or agreements with us and will not seek recourse against the trust account for any reason. If we liquidate before the completion of a business combination and distribute the proceeds held in trust to our public stockholders, Marc V.

An effective registration statement may not be in place when an investor desires to exercise warrants, thus precluding

Byron, our chairman of the board and chief executive officer, and Lowell D. Kraff, our president, have agreed that they will be personally liable to

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ensure that the proceeds in the trust account are not reduced by the claims of target businesses or claims of vendors or other entities that are owed money by us for services rendered or contracted for or products sold to us. However, the agreement entered into by Messrs. Byron and Kraff specifically provides for two exceptions to this indemnity: there will be no liability (1) as to any claimed amounts owed to a third party who executed a waiver (even if such waiver is subsequently found to be invalid and unenforceable) or (2) as to any claims under our indemnity of the underwriters of our initial public offering against certain liabilities, including liabilities under the Securities Act. Furthermore, there could be claims from parties other than vendors or target businesses that would not be covered by the indemnity from Messrs. Byron and Kraff, such as stockholders and other claimants who are not parties in contract with us who file a claim for damages against us. We cannot assure you that Messrs. Byron and Kraff will be able to satisfy those obligations if they are required to do so and if they refused to satisfy their obligations, our board of directors would have a fiduciary obligation, and we would be required, to bring a claim against them to enforce our indemnification rights. Accordingly, the proceeds held in trust may be subject to claims which would take priority over the claims of our public stockholders and, as a result, the per-share liquidation price could be less than \$10.00 due to claims of such creditors.

Additionally, if we are forced to file a bankruptcy case or an involuntary bankruptcy case is filed against us which is not dismissed, the funds held in our trust account will be subject to applicable bankruptcy law, and may be included in our bankruptcy estate and subject to claims of third parties with priority over the claims of our public stockholders. To the extent bankruptcy claims deplete the trust account, we cannot assure you that we will be able to return to our public stockholders the liquidation amounts due them.

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FORWARD-LOOKING STATEMENTS

This proxy statement includes forward-looking statements within the meaning of Section 21E of the Exchange Act. Our forward-looking statements include, but are not limited to, statements regarding our expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words anticipate, believe, continue, could, estimate, expect, intend, may, might, potential, predict, project, should, will, would and similar expressions may identify forward-looking statements. The absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements contained in this proxy statement are based on our current expectations and beliefs concerning future developments and their potential effects on us and speak only as of the date of such statement.

There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described under the heading Risk Factors and the following:

the change in control of Polaris once the merger is consummated;
Polaris' expectations regarding consummation and timing of the merger and related transactions, including the satisfaction of closing conditions to the merger;

Polaris' and HUGHES Telematics' expectations regarding HUGHES Telematics' growth potential; the delisting of Polaris' securities from the American Stock Exchange or an inability to have Polaris' securities listed on either the NASDAQ Global Market or the NASDAQ Capital Market or another exchange following the consummation of the merger;

Polaris' and HUGHES Telematics' expectations and intentions regarding the use of the proceeds in Polaris' trust account;

the financial performance of HUGHES Telematics;
slower than expected development of the telematics industry or any event that causes telematics to be less attractive to consumers;

the loss of strategic relationships with Chrysler or Mercedes-Benz;
an inability to enter into strategic relationships with additional automakers, thereby limiting HUGHES Telematics' growth potential;

the introduction and proliferation of competitive products;
changes in technology;
an inability to achieve sustained profitability;
failure to implement HUGHES Telematics' short- or long-term growth strategies;
the cost of retaining and recruiting HUGHES Telematics' key personnel or the loss of such key personnel;
risks associated with the expansion of HUGHES Telematics' business in size and geography;
operational risk;
geopolitical events and regulatory changes;
changing interpretations of generally accepted accounting principles (GAAP);
general economic conditions;

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litigation and regulatory enforcement risks, including the diversion of management time and attention and the additional costs and demands on HUGHES Telematics' resources;

costs related to the proposed merger;

failure to obtain the required approvals of Polaris stockholders; and

risks that the closing of the transaction is substantially delayed or that the transaction does not close.

Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable law.

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THE SPECIAL MEETING

The Special Meeting

Polaris is furnishing this proxy statement to you as part of the solicitation of proxies by the Polaris board of directors for use at the special meeting in connection with the merger proposal, the pre-closing certificate amendment proposal,

post-closing certificate amendment proposal and the adjournment proposal.

Date, Time and Place

The special meeting will be held at _____, New York City time, on _____, 2008, at _____, to vote on each of the merger proposal, the pre-closing certificate amendment proposal, post-closing certificate amendment proposal and, if necessary, the adjournment proposal.

Purpose of the Special Meeting

At the special meeting, the holders of Polaris common stock are being asked to approve:

The merger proposal a proposal to approve the merger of HUGHES Telematics with and into Polaris, with Polaris continuing as the surviving corporation in the merger, pursuant to the agreement and plan of merger, dated as of June 13, 2008, by and among Polaris, HUGHES Telematics and Apollo and the transactions contemplated thereby;

The pre-closing certificate amendment proposal a proposal to amend Polaris amended and restated certificate of incorporation to (A) change Polaris name from Polaris Acquisition Corp. to _____ (B) increase the number of Polaris authorized shares of common stock from 55,000,000 to 155,000,000 and authorized shares of preferred stock from 1,000,000 to 10,000,000, (C) remove the entirety of Article Fifth and (D) amend certain other ministerial provisions of the certificate of incorporation;

The post-closing certificate amendment proposal a proposal, effective after consummation of the merger, to (A) remove provisions of Article Third relating to the dissolution and liquidation of Polaris in the event that a business combination is not consummated prior to January 11, 2010, (B) replace (1) the entirety of Article Sixth with a provision providing that Polaris is to have perpetual existence and (2) the entirety of Article Seventh with a provision providing that Polaris reserves the right to amend, alter, change or repeal any provision in Polaris amended and restated certificate of incorporation in the manner now or hereafter prescribed therein and by the laws of the State of Delaware, all of which relate to the operation of Polaris as a blank check company prior to the consummation of a business combination and (C) amend certain other ministerial provisions of the certificate of incorporation; and

The adjournment proposal a proposal to authorize the adjournment of the special meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies in the event there are insufficient votes at the time of the special meeting to approve the merger proposal, the pre-closing certificate amendment proposal or the post-closing certificate amendment proposal.

Recommendation of the Polaris Board of Directors

The Polaris board of directors:

has unanimously determined that the merger proposal, the pre-closing certificate amendment proposal, post-closing certificate amendment proposal and the adjournment proposal are in the best interests of Polaris and its stockholders; has unanimously approved the merger proposal, the pre-closing certificate amendment proposal, post-closing certificate amendment proposal and the adjournment proposal; and

unanimously recommends that the holders of Polaris common stock vote FOR the merger proposal, the pre-closing certificate amendment proposal, the post-closing certificate amendment proposal and, if necessary, the adjournment proposal.

In considering the recommendation of Polaris board of directors to vote FOR the merger proposal, you should be aware that members of Polaris board of directors may have interests different from or in

addition to your interests as a stockholder. See the section entitled "The Merger Proposal" and "Interests of Polaris Directors and Officers in the Merger."

Record Date; Who Is Entitled to Vote

The record date for the special meeting is _____, 2008. Record holders of Polaris common stock at the close of business on the record date are entitled to vote or have their votes cast at the special meeting. On the record date, there were 18,750,000 outstanding shares of Polaris common stock.

Each share of Polaris common stock is entitled to one vote per share at the special meeting. The holders of Polaris common stock acquired in its initial public offering or afterwards (other than the initial stockholders as described below) are free to vote such shares in their discretion.

Polaris' initial stockholders have agreed to vote all of their shares of Polaris common stock acquired prior to the initial public offering in accordance with the vote of the majority in interest of all other Polaris stockholders on the merger proposal. In addition, the initial stockholders have agreed to vote any shares of Polaris common stock acquired by them in the initial public offering or in the aftermarket in favor of the merger proposal. Polaris' issued and outstanding warrants do not have voting rights and record holders of Polaris warrants will not be entitled to vote at the special meeting with respect to the warrants they hold.

Voting Your Shares

Each share of Polaris common stock that you own in your name as of the record date entitles you to one vote. Your proxy card shows the number of shares of Polaris common stock that you own.

There are two ways to vote your shares of Polaris common stock at the special meeting:

you can vote by signing and returning the enclosed proxy card. If you vote by proxy card, your proxy, whose name is listed on the proxy card, will vote your shares as you instruct on the proxy card. If you sign and return the proxy card, but do not give instructions on how to vote your shares, your shares will be voted, as recommended by the Polaris board, FOR the approval of the merger proposal, each of the pre-closing certificate amendment proposal, the post-closing certificate amendment proposal and, if necessary, the adjournment proposal; or you can attend the special meeting and vote in person. Polaris will give you a ballot when you arrive. However, if your shares are held in the name of your broker, bank or another nominee, you must get a proxy from the broker, bank or other nominee. That is the only way Polaris can be sure that the broker, bank or nominee has not already voted your shares.

Who Can Answer Your Questions About Voting Your Shares

If you have any questions about how to vote or direct a vote in respect of your Polaris common stock, you may call Innisfree M&A Incorporated, our proxy solicitor, toll-free at (888) 750-5834 (banks and brokers call collect at (212) 750-5833), or Jerry Stone, Vice President of Polaris, at (201) 242-3500.

No Additional Matters May Be Presented at the Special Meeting

This special meeting has been called only to consider the approval of the merger proposal, the pre-closing certificate amendment proposal, the post-closing certificate amendment and, if necessary, the adjournment proposal. Under Polaris' by-laws, no other matters may be considered at the special meeting if they are not included in the notice of the meeting.

Revoking Your Proxy

If you give a proxy, you may revoke it at any time before it is exercised by doing any one of the following:

- you may submit another proxy card with a later date;
- you may notify Jerry Stone, our Vice President, in writing before the special meeting that you have revoked your proxy; or
- you may attend the special meeting, revoke your proxy and vote in person.

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Quorum

The presence, in person or by proxy, of a majority of all the outstanding shares of Polaris common stock constitutes a quorum at the special meeting.

Vote Required

The approval of the merger of HUGHES Telematics with and into Polaris, with Polaris continuing as the surviving corporation, will require the affirmative vote of a majority of the shares of Polaris common stock (a) voted by the public stockholders present at the special meeting in person or by proxy and entitled to vote thereon and (b) outstanding as of the record date, provided that the holders of less than 30% of the shares of Polaris common stock that were issued in its initial public offering vote against the merger proposal and properly elect to convert their shares into a pro rata portion of the funds held in Polaris trust account. The affirmative vote of a majority of the shares of Polaris common stock voted by the public stockholders present at the special meeting in person or by proxy and entitled to vote thereon is a requirement of our certificate of incorporation. The affirmative vote of a majority of the shares of Polaris common stock outstanding as of the record date is a requirement of the DGCL.

If following the date of this proxy statement, Polaris determines that the merger proposal may not receive sufficient votes at the special meeting for the merger to be consummated, Polaris, HUGHES Telematics and the initial stockholders and/or their affiliates may enter into negotiations or one or more transactions with existing stockholders or other third parties that would be designed to incentivize stockholders who have indicated, or are believed to have indicated, an intention to vote against the merger proposal to either vote in favor of, or to sell their shares to one or more parties who would vote in favor of, the merger proposal. There can be no certainty that any such transactions would in fact be sought to be negotiated or, if negotiations are commenced, would be consummated. If any such transactions are consummated, Polaris, Polaris executive officers and directors, the initial stockholders and any other applicable parties will promptly disclose such transactions by means of a supplement to this proxy statement and/or the filing of a Current Report on Form 8-K with the SEC and any other required filings.

Assuming the merger proposal is approved by Polaris stockholders, the affirmative vote of a majority of the shares of Polaris common stock outstanding as of the record date and entitled to vote thereon is required to approve the pre-closing certificate amendment proposal and the post-closing certificate amendment proposal.

The approval of the adjournment proposal will require the affirmative vote of a majority of the shares of Polaris common stock represented in person or by proxy and entitled to vote thereon at the special meeting.

Abstentions and Broker Non-Votes

If you abstain from voting, it will have the same effect as a vote AGAINST the merger proposal; the pre-closing certificate amendment proposal and the post-closing certificate amendment proposal, but will have no effect on the adjournment proposal.

A failure to vote by not returning a signed proxy card will have no impact upon the approval of the adjournment proposal, but, as the merger proposal, pre-closing certificate amendment proposal and the post-closing certificate amendment proposal require the affirmative vote of a majority of Polaris common stock, a failure to vote will have the effect of a vote AGAINST these three proposals. Failure to vote will not have the effect of electing to convert your shares for a pro rata portion of the funds held in the trust account.

If your broker holds your shares in its name and you do not give the broker voting instructions, under the applicable stock exchange rules, your broker may not vote your shares on the merger proposal, the pre-closing certificate amendment proposal or the post-closing certificate amendment proposal. If you do not give your broker voting instructions and the broker does not vote your shares, this is referred to as a broker non-vote. Abstentions and broker non-votes are counted for purposes of determining the presence of a quorum. Broker non-votes will have the same effect as votes AGAINST the merger proposal, the pre-closing certificate amendment proposal and the post-closing certificate amendment proposal, but will not be counted towards the

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vote total for the adjournment proposal. However, a broker non-vote that has the effect of voting against the merger proposal will not have the effect of electing to convert your shares for a pro rata portion of the funds held in the trust account.

Conversion Rights

Any Polaris public stockholder who votes against the merger proposal may, at the same time, elect that Polaris convert such stockholder's shares for a pro rata portion of the funds held in the trust account, inclusive of interest thereon and net of taxes payable, calculated as of two business days prior to the consummation of the merger. If you seek to exercise this conversion right you must submit your vote against approval of the merger proposal and, by 5:00 p.m.,

New York City time, on _____, 2008, the business day prior to the special meeting, your bank or broker must electronically transfer your shares to the DTC account of Continental Stock Transfer & Trust Company, our stock transfer agent, and provide Continental Stock Transfer & Trust Company with the necessary stock powers, written instructions that you want to convert your shares and a written certificate addressed to Continental Stock Transfer & Trust Company stating that you were the owner of such shares as of the record date, you have owned such shares since the record date and you will continue to own such shares through the closing of the merger. If your bank or broker does not provide each of these documents to Continental Stock Transfer & Trust Company, 17 Battery Place, New York, New York 10004, attn: Mark Zimkind, tel. (212) 845-3287, fax (212) 616-7616 by 5:00 p.m., New York City time, on _____, 2008, the business day prior to the special meeting, your shares will not be converted. There is a nominal cost associated with this delivery process and the act of certificating the shares or electronically delivering them through the DTC's system. The transfer agent will typically charge the tendering broker \$45, and the broker may or may not pass this cost on to you.

If you properly exercise your conversion rights and the merger is consummated, Polaris will convert your shares of common stock for a pro rata portion of the funds held in the trust account in which a substantial portion of the net

proceeds of its initial public offering are held, calculated as of two business days prior to the consummation of the merger. Based on the amount of cash held in the trust account as of _____, 2008, without taking into account any interest accrued after such date, you will be entitled to elect to have Polaris convert each share of Polaris common stock that you hold for approximately \$ _____ per share. If the holders of 30%, or 4,500,000, or more shares of Polaris common stock issued in our initial public offering vote against the merger proposal and properly elect to have Polaris convert their shares into a pro rata portion of the funds held in the trust account, Polaris will not be able to consummate the merger, regardless of whether a majority of the shares of Polaris common stock (a) voted by the public stockholders present and entitled to vote at the special meeting in person or by proxy and (b) outstanding as of the record date, vote in favor of the merger proposal. If the merger is not consummated, Polaris will continue to search for a business combination and no shares will be converted. However, Polaris will be liquidated if it does not consummate a business combination by January 11, 2010. In any liquidation, the net proceeds of our initial public offering held in the trust account, plus any interest earned thereon, will be distributed on a pro rata basis to the holders of Polaris common stock who purchased their shares in Polaris' initial public offering or thereafter.

Prior to exercising conversion rights, you should verify the market price of Polaris common stock as you may receive higher proceeds from the sale of your common stock in the public market than from exercising your conversion rights.

Shares of Polaris common stock are quoted on the American Stock Exchange under the symbol TKP. We cannot assure Polaris stockholders that they will be able to sell their shares of Polaris common stock in the open market, even if the market price per share is higher than the conversion price stated above, as there may not be sufficient liquidity in Polaris' securities when its stockholders wish to sell their shares.

Appraisal Rights

Polaris stockholders do not have appraisal rights in connection with the merger under the DGCL.

Solicitation Costs

Polaris is soliciting proxies on behalf of the Polaris board of directors. This solicitation is being made by mail but also may be made by telephone or in person. Polaris and its officers and directors may also solicit proxies in person, by telephone or by other electronic means, and in the event of such solicitations, the

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information provided will be consistent with this proxy statement and enclosed proxy card. These persons will not be paid for soliciting proxies. Polaris will ask banks, brokers and other institutions, nominees and fiduciaries to forward its proxy statement materials to their principals and to obtain their authority to execute proxies and voting instructions. Polaris will reimburse them for their reasonable expenses. Polaris has engaged Innisfree M&A Incorporated to solicit proxies for this special meeting. Polaris is paying approximately \$ _____ for solicitation services, which amount includes a \$ _____ fixed solicitation fee and a per call fee estimated in the aggregate to be equal to \$ _____.

Stock Ownership

Polaris' initial stockholders, including all its directors, and their respective affiliates, who purchased or received shares of common stock prior to its initial public offering and as of the record date, beneficially own an aggregate of 20% of the outstanding shares of Polaris common stock. All of such stockholders have agreed (1) to vote their shares of common stock acquired prior to our initial public offering in accordance with the vote of the majority-in-interest of all other Polaris stockholders on the merger proposal and (2) to vote any shares of common stock purchased in the initial

public offering or in the aftermarket FOR the merger proposal. All of the initial stockholders have agreed to place all of their shares purchased prior to Polaris initial public offering in escrow until one year after the consummation of a business combination and all of their insider warrants in escrow until 45 days after the consummation of a business combination.

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THE MERGER PROPOSAL

Background of the Merger

The terms of the merger agreement are the result of negotiations between the representatives of Polaris and HUGHES Telematics. The following is a brief description of the background of these negotiations, the merger and related transactions.

Polaris was incorporated in Delaware on June 18, 2007, as a blank check company formed for the purpose of acquiring through a merger, capital stock exchange, asset acquisition or other similar business combination with an operating business. On January 17, 2008, Polaris consummated the initial public offering of 15,000,000 of its units.

Each unit consists of one share of common stock and one warrant to purchase one share of common stock at an exercise price of \$7.00 per share. The units were sold at an offering price of \$10.00 per unit, generating gross proceeds of \$150.0 million.

In addition, Polaris sponsors purchased 4,500,000 warrants to purchase common stock in a private placement completed simultaneously with the closing of the initial public offering for total consideration of \$4.5 million. Upon consummation of the Polaris initial public offering, \$150.0 million, including deferred underwriting discounts and commissions of approximately \$6.8 million, were deposited in trust and, in accordance with Polaris amended and restated certificate of incorporation, will be released either upon the consummation of a business combination or upon the liquidation of Polaris. The net proceeds from the sale of the Polaris units and sponsors warrants were approximately \$143.4 million, excluding offering expenses.

Prior to the consummation of its initial public offering, neither Polaris, nor anyone on its behalf, contacted any prospective target business or had any substantive discussions, formal or otherwise, with respect to such a transaction with Polaris.

Subsequent to the consummation of the initial public offering on January 17, 2008, Polaris commenced consideration of potential target companies with the objective of consummating a business combination with an operating business.

During the period from the closing of its initial public offering to June 13, 2008, Polaris:

compiled a database of over 45 potential acquisition targets provided by its officers, directors, sponsors and industry contacts;

contacted approximately 26 investment banks and other service providers to inquire whether they might be aware of available acquisition opportunities;

participated in in-person or telephonic discussions with representatives of approximately 10 potential acquisition targets;

entered into non-disclosure agreements with five potential acquisition targets, or their representatives; and conducted diligence with respect to five potential acquisition targets.

Polaris selected the five potential acquisition targets with which it entered into non-disclosure agreements based upon their size, potential for growth, management teams, competitive landscape of the industry in which they operated, potential mainstream consumer enthusiasm and ability to leverage the extensive marketing experience Polaris team possesses in order to enhance shareholder value. None of the discussions with potential acquisition targets, other than HUGHES Telematics, resulted in a letter of intent or a definitive agreement regarding a potential business combination. Discussions with some of these potential acquisition targets were abandoned when Polaris management determined that they were not appropriate targets given the nature of their products or the need for large amounts of additional capital following a transaction with Polaris. Other such discussions were not pursued when it became clear that the proposed merger with HUGHES Telematics offered superior value to Polaris stockholders.

Lowell D. Kraff, Polaris President, and Apollo, an affiliate of HUGHES Telematics, have had periodic business contacts and discussions dating from prior to the creation of Polaris. Through these discussions, Apollo learned of the creation of Polaris and suggested to Mr. Kraff that HUGHES Telematics could be an

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attractive acquisition target given its products, growth prospects and capital needs. The first direct contact between HUGHES Telematics and Polaris occurred on February 21, 2008 when a representative of HUGHES Telematics contacted Mr. Kraff to discuss a potential transaction with Polaris, noting the compatibility of the business objectives between the two companies. After discussing the possibility of a transaction, representatives of HUGHES Telematics and Polaris entered into a non-disclosure agreement on February 25, 2008.

On February 25, 2008 and periodically thereafter, HUGHES Telematics provided confidential information to representatives of Polaris to facilitate Polaris due diligence. On March 13, 2008, representatives of Polaris traveled to the offices of HUGHES Telematics in Atlanta to engage in discussions and learn more about the business of HUGHES Telematics. At that meeting, parties began to discuss a potential valuation of the HUGHES Telematics business.

On March 14, 2008, the board members and executives of Polaris held discussions with representatives of Lazard at the offices of Lazard in New York, to compare potential acquisition opportunities and discuss acquisition strategies. At that meeting, the executive officers of Polaris described the HUGHES Telematics opportunity to representatives of Lazard. The representatives discussed potential transaction structures and potential valuations, and began considering the formulation of a letter of intent. Polaris began to review financial scenarios that included cash flows based solely on HUGHES Telematics contracts with Mercedes-Benz and Chrysler, as well as cash flows that included potential contracts with other automakers. In determining a valuation for HUGHES Telematics, Polaris used a discounted cash flow methodology over a range of discount rates appropriate for HUGHES Telematics growth and risk characteristics.

Seeking to allow its public stockholders to share in the growth potential of a target business, Polaris management contemplated a deal structure in which Polaris would issue shares of its common stock to HUGHES Telematics stockholders. Polaris and HUGHES Telematics engaged in several negotiations over the number of shares of Polaris common stock to be issued to HUGHES Telematics stockholders based on Polaris valuation of HUGHES Telematics.

The structure which was decided upon, with a large earn-out component, bridged differences of opinion on the valuation of HUGHES Telematics held by Polaris and HUGHES Telematics, and assured Polaris management that there would be a strong alignment of interests between HUGHES Telematics management and Polaris stockholders following the closing.

On March 28, 2008, Mr. Byron and Mr. Stone met with representatives of HUGHES Telematics at the Polaris offices in New Jersey to discuss the technology used in HUGHES Telematics products and services.

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In late March 2008, Polaris engaged Wachtell, Lipton, Rosen & Katz (Wachtell, Lipton) to act as legal counsel for a potential transaction.

Between March 27, 2008 and April 1, 2008, representatives of Polaris and HUGHES Telematics engaged in numerous discussions relating to a letter of intent to be signed by the parties.

In April 2008, Polaris management entered into non-disclosure agreements with certain Polaris stockholders and engaged them in preliminary discussions regarding their potential involvement in a transaction with HUGHES Telematics. These stockholders agreed in the non-disclosure agreements not to use any material non-public information to trade in securities of Polaris.

On April 2, 2008, HUGHES Telematics and Polaris signed a non-binding letter of intent setting forth the principal terms of the proposed merger which included an exclusivity provision pursuant to which HUGHES Telematics agreed not to solicit third parties for alternative transactions until May 1, 2008.

On April 3, 2008, HUGHES Telematics made available to Polaris and its representatives additional confidential information of HUGHES Telematics. Over the course of the next several weeks, financial and legal representatives of Polaris accessed the confidential information both through copies provided by HUGHES Telematics and by accessing such information at the offices of Skadden, Arps, Slate, Meagher & Flom LLP (Skadden, Arps), HUGHES Telematics legal counsel.

On April 10, 2008, representatives of Polaris, including its financial and legal advisors, participated in management presentations at the offices of HUGHES Telematics in Atlanta. At that meeting, the HUGHES Telematics management described and conducted demonstrations of the HUGHES Telematics products.

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On April 16, 2008, Polaris engaged an auditing firm to conduct accounting due diligence on HUGHES Telematics. The reports of the auditing firm were delivered on May 7, 2008.

On April 17, 2008, Polaris engaged a technology consulting firm to conduct diligence on the technological aspects of the HUGHES Telematics business. The report of the consulting firm was delivered on April 29, 2008.

On April 25, 2008, HUGHES Telematics retained Pali Capital to provide advice in connection with the pending merger negotiations and proxy process.

On April 25, 2008, Polaris provided a draft merger agreement to HUGHES Telematics and Skadden, Arps.

After April 25, 2008, representatives of Polaris and HUGHES Telematics, as well their respective counsels, periodically negotiated the terms of the merger agreement. The parties discussed key issues including those relating to the scope of the parties' respective representations and warranties, the terms of the indemnity provisions, the treatment of options exercisable for HUGHES Telematics common stock and the scope of the interim operating covenants applicable to the parties.

On May 1, 2008, HUGHES Telematics and Polaris agreed to extend the term of the exclusivity provision in the letter of intent to May 15, 2008. Further extensions of the exclusivity provision were subsequently agreed to on May 12, May 29 and June 10, 2008.

On May 2, 2008, Polaris and its counsel provided first drafts of several exhibits to the merger agreement, including a draft of the amended and restated certificate of incorporation for Polaris to be effective upon the consummation of the merger and a first draft of the shareholders agreement term sheet.

Following May 2, 2008, representatives of Polaris and HUGHES Telematics, as well as their respective counsels, periodically negotiated the terms of the exhibits to the merger agreement.

On May 29, 2008, Polaris engaged Duff & Phelps to advise Polaris and render an opinion as to whether the consideration to be paid by Polaris in the merger would be fair to the holders of Polaris common stock from a financial point of view and whether the fair market value of HUGHES Telematics would be at least 80% of the balance of Polaris trust account (excluding deferred underwriting fees and commissions and taxes payable). Duff & Phelps did not participate in any negotiations regarding the determination of the amount of such consideration nor did they assist in structuring the transaction.

On June 6, 2008, the executive team of Polaris provided Polaris board of directors with an update with respect to the potential transaction with HUGHES Telematics.

On June 6, 2008, senior management of HUGHES Telematics met internally to discuss the transaction and to brief the non-Apollo stockholders of HUGHES Telematics.

Between June 6 and June 13, 2008, the representatives of HUGHES Telematics and Polaris continued to negotiate terms of the transaction, particularly with respect to the additional debt and equity permitted to be issued by HUGHES Telematics prior to the closing of the merger and a net working capital adjustment at the closing with respect to Polaris.

On June 11, 2008, at a meeting of Polaris board of directors, Polaris management reviewed the principal terms of the proposed transaction with HUGHES Telematics and the status of the negotiations regarding the merger agreement and related documentation. Representatives of Wachtell, Lipton provided Polaris board of directors with a detailed description of the merger agreement and its terms. In addition, Duff & Phelps provided an update with respect to the fairness analysis and the 80% analysis. Lazard provided Polaris board of directors with a presentation summarizing the transaction background and key financial terms. Polaris board of directors authorized management to continue to engage in discussions with HUGHES Telematics regarding a potential merger.

On June 11 and June 12, 2008, representatives of Polaris and HUGHES Telematics continued to negotiate the terms of the merger agreement and related documents.

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In the afternoon of June 13, 2008, Polaris board of directors held a telephonic meeting during which the board reviewed the principal business and legal terms of the proposed transaction. Wachtell, Lipton provided an update on the changes to the merger agreement since the prior board meeting. Duff & Phelps presented their financial analysis of the proposed transaction and responded to questions from directors. Duff & Phelps then provided their oral opinions that the fair market value of HUGHES Telematics was equal to at least 80% of the balance of Polaris trust account (excluding deferred underwriting discounts and commissions and taxes payable) and that the consideration to be paid pursuant to the merger agreement was fair, from a financial point of view, to the holders of Polaris common stock.

Lazard also provided a brief overview of key financial terms. The Polaris board then unanimously approved the merger, the merger agreement and the related transactions.

In the late afternoon of June 13, 2008, the merger agreement was executed by the parties thereto. Prior to the opening of the financial markets on June 16, 2008, Polaris and HUGHES Telematics issued a press release announcing the transaction.

Polaris Reasons for the Merger and Recommendation of the Polaris Board

Polaris has been in search of a business combination partner since its initial public offering occurred in January 2008. Polaris board of directors believes that HUGHES Telematics presents a unique opportunity for Polaris because of, among other factors, its strategic position, growth potential and an impressive, experienced management team. As a result, Polaris believes that the merger with HUGHES Telematics will provide Polaris stockholders with an opportunity to participate in a company at an early stage of its growth and development.

In arriving at its determination to approve the merger and its terms, Polaris board of directors relied on an analysis and/or review of a number of factors, including, but not limited to:

information with respect to the financial condition, results of operations and business of HUGHES Telematics, on both a historical and prospective basis;

significant projected revenues derived from vehicles covered under the agreements with automakers;

HUGHES Telematics attractive valuation, given its future prospects and those of the industry;

the HUGHES Telematics management team's quality and strength, and proven track record of success;

HUGHES Telematics leading technological expertise and partnership with HUGHES Communications, Inc., under which HUGHES Communications, Inc. is supporting HUGHES Telematics design and development of its telematics solution and operations center;

the earn-out and lock-up features of the transaction, which provide substantial incentives to the management and stockholders of HUGHES Telematics to realize future value for all stockholders after the closing of the merger;

the participation of Apollo as a control stockholder, given its record of success in creating value for its investors; and the fairness opinion provided by Duff & Phelps, which is more fully described below under The Merger Proposal Duff & Phelps Opinion.

Polaris board of directors believes that each of the above factors supported its determination and recommendation to approve the merger. In addition, Polaris board of directors reviewed a number of additional factors in evaluating the merger with HUGHES Telematics, including, but not limited to, the following:

the U.S. and global telematics market, both current and projected;

the growth and success of General Motors OnStar product;

the terms and conditions of the merger agreement and related transaction documents;

the results of Polaris legal, technology, accounting and other due diligence review of HUGHES Telematics; and

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the marketing and customer retention expertise that Polaris management would bring to the combined company, which can be leveraged to drive incremental revenues.

Polaris board of directors also considered the following potentially negative factors, among others, including the Risk Factors, in its deliberations concerning the merger:

the competitive nature of the telematics industry in general;

the risks of investing in an early-stage company in a developing industry, where the major product offering is still in a development stage, the company has a need for substantial capital before turning to profitability, and the company has

experienced significant losses to date and expects to do so for the near future;
the possibility that the benefits anticipated from the merger might not be achieved or might not occur as rapidly or to the extent currently anticipated;
the risk of potential intellectual property claims against HUGHES Telematics which could reduce its competitive position and potentially expose the combined company to liability;
the risk the contracted automakers may not install the HUGHES Telematics product on as many vehicles as those automakers have projected, whether due to decreased vehicle production or other reasons;
the fact that certain officers and directors of Polaris may have interests in the merger that are different from, or are in addition to, the interests of Polaris stockholders generally, including the matters described under **The Merger Proposal** **Interests of Polaris Directors and Officers in the Merger** below;
the pro forma effect of the issuance of 71,863,548 shares of Polaris common stock pursuant to the merger on Polaris earnings per share, which would reduce Polaris earnings per share for the six months ended June 30, 2008 from net income (loss) of \$ and (\$) per share-basic (\$ and \$() per share-diluted), respectively, to a net loss of \$ and \$ per share (maximum approval) and \$ and \$ per share (minimum approval)-basic and diluted, respectively, on a pro forma adjusted basis;
the limits on indemnification in the merger agreement, which restrict the remedies available to Polaris in the event of a breach by HUGHES Telematics.

For a discussion of the existing risk factors and their possible effect on the success of the merger, see the section entitled **Risk Factors**.

After consideration of the positive and potentially negative factors described above, the board of directors of Polaris was of the view that the structural aspects of the transaction (whereby the incentives of the HUGHES Telematics management were aligned with those of Polaris stockholders), the attractive growth prospects of HUGHES Telematics and the telematics industry in general, and the quality of the HUGHES Telematics management team, among other positive factors, were sufficiently compelling to render the proposed transaction in the best interests of all Polaris stockholders. In the view of Polaris board of directors, the potentially countervailing factors did not, individually or in the aggregate, outweigh the advantages of the merger.

HUGHES Telematics Reasons for the Merger

In order to fund its business, HUGHES Telematics explored a variety of financing alternatives and determined that a merger with Polaris provided the best structure for accessing the desired amount of capital on acceptable terms. The earn-out component of the merger consideration enabled the existing HUGHES Telematics stockholders to receive additional value upon the achievement of specified share price targets and aligned the long-term interests of the HUGHES Telematics stockholders and Polaris stockholders. Further, the outstanding Polaris warrants provide an additional potential source of capital in the future and, as a public company, the combined entity is expected to both have greater flexibility in entering into future transactions and accessing the capital markets to the extent desired.

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Interests of Polaris Directors and Officers in the Merger

In considering the recommendation of the board of directors of Polaris to vote **FOR** the merger proposal, you should be aware that all of the members of the Polaris board have agreements or arrangements that provide them with interests in the merger that differ from, or are in addition to, those of Polaris stockholders generally. In particular, you should be aware of the following:

If the merger is not approved and Polaris fails to consummate an alternative transaction within the time allotted pursuant to its certificate of incorporation and Polaris is therefore required to liquidate, the shares of common stock purchased by Polaris initial stockholders prior to Polaris initial public offering, and any warrants held by the initial stockholders, will be worthless because Polaris initial stockholders are not entitled to receive any of the net proceeds of Polaris initial public offering that may be distributed upon liquidation of Polaris. Polaris initial stockholders beneficially own a total of 3,750,000 shares of Polaris common stock that have a market value of \$ based on Polaris share price of \$ as of , 2008. Polaris sponsors also beneficially own warrants to purchase 4,500,000 shares of Polaris common stock that have a market value of \$ based on Polaris warrant price of \$ as of , 2008. However, as Polaris initial stockholders are contractually prohibited from selling their shares of Polaris common stock prior to one year after the closing of the merger, during which time the value of the shares may increase or decrease, it is impossible to determine what the financial impact of the merger will be on Polaris initial stockholders. It is currently anticipated that Marc V. Byron, who is currently a director of Polaris, will continue as a director of Polaris after the merger.

Prior to Polaris initial public offering, Marc V. Byron, Polaris Chairman and Chief Executive Officer, and Lowell D. Kraff, Polaris President and a director, agreed under certain circumstances to become personally liable to ensure that the proceeds in Polaris trust account are not reduced by the claims of any target business, vendors, or other entities owed money by Polaris as a result of services rendered or contracted for or products sold to Polaris. These obligations will cease to be in effect if Polaris consummates a business combination. All vendors and other entities that we have engaged as of , 2008 have waived any right, title, interest or claim of any kind in or to any monies held in the trust account.

Granite Creek Partners, L.L.C., an entity affiliated with Brian B. Boorstein, one of our directors, purchased from HUGHES Telematics on July 8, 2008, for aggregate consideration of \$5.0 million, senior secured term indebtedness issued under HUGHES Telematics credit facility with a principal amount of \$5.0 million and a warrant to purchase 6,611 shares of HUGHES Telematics common stock at an exercise price of \$0.01 per share. As of July 8, 2008, HUGHES Telematics had outstanding senior secured indebtedness under the credit facility with an aggregate principal balance of \$55.0 million.

Trivergance Business Resources (TBR), an affiliate of our initial stockholders, entered into a Services Agreement & Statement of Work with HUGHES Telematics on September 26, 2008. Pursuant to this agreement, TBR began providing a marketing assessment and other research for HUGHES Telematics to aid in creating a world-class marketing and retention platform. HUGHES Telematics agreed to pay TBR a fee of \$150,000 (toward which HUGHES Telematics has paid a \$75,000 deposit to date), reasonable and customary travel expenses and certain other expenses incurred in connection with the engagement.

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The table below shows the amount that the common stock and the warrants beneficially owned by the directors and officers of Polaris (and entities affiliated with Polaris officers and directors) as of , 2008 would be worth upon consummation of the merger and the unrealized profit from such securities based on an assumed market price of the common stock and the warrants of Polaris of \$ and \$, respectively.

	Common Stock		Value	Unrealized Profit	Warrants		Value	Unrealized Profit
	Beneficially Owned	Amount Paid			Beneficially Owned	Amount Paid		
Marc. V. Byron	999,078	\$6,661			900,000	\$900,000		
Lowell D. Kraff	999,078	\$6,661			900,000	\$900,000		
David L. Moore	238,531	\$1,590			360,000	\$360,000		
David F. Palmer	174,758	\$1,165			0	\$0		
Jerry Stone	174,758	\$1,165			0	\$0		
Brian B. Boorstein	61,565	\$410			108,000	\$108,000		

Stuart I. Oran	43,565	\$ 290	54,000	\$ 54,000
Total	2,691,333	\$ 17,942	2,322,000	\$ 2,322,000

Duff & Phelps Opinion

We engaged Duff & Phelps to render an opinion to our board of directors as to (1) the fairness, from a financial point of view, to the holders of our common stock, of the consideration to be paid by us in the merger, and (2) whether HUGHES Telematics has a fair market value equal to at least 80% of our net assets (excluding deferred underwriting discounts and commissions and taxes payable). We selected Duff & Phelps because Duff & Phelps is a leading independent financial advisory firm, offering a broad range of valuation, investment banking services and consulting services, including fairness and solvency opinions, mergers and acquisitions advisory, mergers and acquisitions due diligence services, financial reporting and tax valuation, fixed asset and real estate consulting, ESOP and ERISA advisory services, legal business solutions, and dispute consulting. Duff & Phelps is regularly engaged in the valuation of businesses and securities and the preparation of fairness opinions in connection with mergers, acquisitions and other strategic transactions. Although Duff & Phelps had, in the past, provided advisory services to HUGHES Telematics and Apollo Management, L.P. (an affiliate of HUGHES Telematics) from time-to-time, our board of directors determined that these prior engagements were not material and received confirmation from Duff & Phelps that these prior engagements would not affect its ability to fulfill its obligations of impartiality and objectivity in rendering this fairness opinion.

On June 13, 2008, Duff & Phelps rendered its oral opinion to the our board of directors, which was subsequently confirmed in a written opinion, that, subject to the limitations, exceptions, assumptions and qualifications set forth therein, as of June 13, 2008, (1) the consideration to be paid by us pursuant to the merger agreement was fair, from a financial point of view, to the holders of Polaris common stock, and (2) HUGHES Telematics has a fair market value equal to at least 80% of our net assets (excluding deferred underwriting discounts and commissions and taxes payable).

The full text of the written opinion of Duff & Phelps, which sets forth, among other things, assumptions made, procedures followed, matters considered and qualifications and exceptions, and limitations of the review undertaken in rendering the opinion, is attached as Annex C to this proxy statement. Stockholders are urged to read the opinion carefully and in its entirety.

The Duff & Phelps opinion is directed to our board of directors and addresses only (1) the fairness, from a financial point of view, to the holders of Polaris common stock, of the consideration to be paid by us in the merger, and (2) whether HUGHES Telematics has a fair market value equal to at least 80% of our net assets (excluding deferred underwriting discounts and commissions and taxes payable). The Duff & Phelps opinion is not a recommendation as to how the board of directors, any stockholder or any other person or entity should vote or act with respect to any matters relating to the merger. Further, the Duff & Phelps opinion does not in any manner address our underlying business decision to engage in the merger or the relative merits of the merger as compared to any alternative business transaction or strategy. The decision as to whether to approve

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the merger or any related transaction may depend on an assessment of factors unrelated to the financial analysis on which the Duff & Phelps opinion is based.

Aggregate merger consideration consists of (1) approximately 45,000,000 shares of our common stock with an assumed value of our common stock of \$9.17 per share, which represents the closing stock price as of June 11, 2008, and (2) approximately 29,000,000 shares which will be deposited into escrow and issued to HUGHES Telematics

stockholders in the event that certain Polaris common stock price targets are met under a deferred consideration arrangement, which Duff & Phelps estimated to be worth between \$67.0 million to \$152.0 million based on a Monte-Carlo option pricing analysis. Monte-Carlo simulation is the standard option pricing approach for the valuation of derivatives such as the deferred consideration in which the value of the derivative is dependent on the path of the underlying stock price. The Monte-Carlo simulation projected the path of our stock, evaluated the achievement of certain price targets, and measured the number and the value of shares of our common stock issued to HUGHES Telematics stockholders under the deferred consideration arrangement. The value of the deferred consideration was estimated as the average present value of the shares issued over a large number of simulations. Duff & Phelps noted that the aggregate merger consideration implied a total equity value of HUGHES Telematics of approximately \$480.0 million to \$565.0 million.

The following is a summary of the material analyses performed by Duff & Phelps in connection with rendering its opinion. Duff & Phelps noted that the basis and methodology for the opinion have been designed specifically for this purpose and may not translate to any other purposes. While this summary describes the analyses and factors that Duff & Phelps deemed material in its presentation and opinion to our board of directors, it does not purport to be a comprehensive description of all analyses and factors considered by Duff & Phelps. The Duff & Phelps opinion is based on the comprehensive consideration of the various analyses performed. This summary is qualified in its entirety by reference to the full text of the Duff & Phelps opinion.

In arriving at its opinion, Duff & Phelps did not attribute any particular weight to any particular analysis or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Several analytical methodologies were employed by Duff & Phelps in its analyses, and no one single method of analysis should be regarded as critical to the overall conclusion reached by it. Each analytical technique has inherent strengths and weaknesses, and the nature of the available information may further affect the value of particular techniques. Accordingly, Duff & Phelps believes that its analyses must be considered as a whole and that selecting portions of its analyses and of the factors considered by it, without considering all analyses and factors in their entirety, could create a misleading or incomplete view of the evaluation process underlying its opinion. The conclusion reached by Duff & Phelps, therefore, is based on the application of its own experience and judgment to all analyses and factors considered by it, taken as a whole.

In connection with preparing its opinion, Duff & Phelps made such reviews, analyses and inquiries as it deemed necessary and appropriate under the circumstances, including, but not limited to, the following:

a review of the following documents:

certain publicly available financial statements and other business and financial information of our company;
certain internal financial statements and other financial and operating data concerning HUGHES Telematics, which HUGHES Telematics and we have respectively identified as being the most current financial statements available;
certain financial projections prepared by our management and the HUGHES Telematics management; and
a draft of the merger agreement dated June 13, 2008;

a discussion of the operations, financial conditions, future prospects and projected operations and performance of HUGHES Telematics and regarding the merger with our management;

a review of the historical trading price and trading volume of our common stock and the publicly-traded securities of certain other companies that Duff & Phelps deemed relevant;

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a comparison of the financial performance of HUGHES Telematics with that of certain other publicly-traded companies that Duff & Phelps deemed relevant;

a comparison of certain financial terms of the merger to financial terms, to the extent publicly available, of certain business combination transactions that Duff & Phelps deemed relevant; and

an undertaking of such other analyses and consideration of such other factors as Duff & Phelps deemed appropriate. In its review and analysis, and in arriving at its opinion, Duff & Phelps, with our consent:

relied upon the accuracy, completeness, and fair presentation of all information, data, advice, opinions and representations obtained from public sources or provided to it from private sources, including our management, and did not independently verify such information;

assumed that any estimates, evaluations, forecasts and projections furnished to Duff & Phelps were reasonably prepared and based upon the best currently available information and good faith judgment of the person furnishing the same, and that such forecasts and projections are achievable as presented;

assumed that the final versions of all documents reviewed by Duff & Phelps in draft form conform in all material respects to the drafts reviewed;

assumed that information supplied to Duff & Phelps and representations and warranties made in the merger agreement are substantially accurate;

assumed that all of the conditions required to implement the merger will be satisfied and that the merger will be completed in accordance with the merger agreement without any amendments thereto or any waivers of any terms or conditions thereof;

relied upon the fact that our board of directors and HUGHES Telematics were advised by counsel as to all legal matters with respect to the merger, including whether all procedures required by law to be taken in connection with the merger have been duly, validly and timely taken;

assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the merger will be obtained without any adverse effect on us or the contemplated benefits expected to be derived in the merger; and

assumed that the merger will be treated as a tax-free transaction for United States federal income tax purposes.

In its analysis and in connection with the preparation of its opinion, Duff & Phelps made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of any party involved in the merger. To the extent that any of the foregoing assumptions or any of the facts on which the Duff & Phelps opinion is based proves to be untrue in any material respect, Duff & Phelps has advised our board of directors that the Duff & Phelps opinion cannot and should not be relied upon.

Duff & Phelps did not make any independent evaluation, forecasts, projections, appraisal or physical inspection of our solvency or of any specific assets or liabilities (contingent or otherwise) or the achievability of any of the forecasts or projections with which it was furnished. Duff & Phelps opinion should not be construed as a valuation opinion, a credit rating, a solvency opinion, an analysis of our credit worthiness, tax advice or accounting advice. Duff & Phelps was not requested to, and did not, (a) initiate any discussions with, or solicit any indications of interest from, third parties with respect to the merger, the assets, businesses or operations of our company or any alternatives to the merger, (b) negotiate the terms of the merger, and therefore, Duff & Phelps has assumed that such terms are the most beneficial terms, from our perspective, that could, under the circumstances, be negotiated among the parties to the merger agreement and the transaction, or (c) advise our board of directors or any other party with respect to alternatives to the merger. In addition, Duff & Phelps is not expressing any opinion as to the market price or value of our common stock after

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announcement of the merger. Duff & Phelps has not made, and assumes no responsibility to make, any representation, or render any opinion, as to any legal matter.

Duff & Phelps prepared its opinion as of June 13, 2008. The opinion was necessarily based upon market, economic, financial, and other conditions as they existed and could be evaluated as of such date, and Duff & Phelps disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting its opinion coming or

brought to the attention of Duff & Phelps after the date of the Duff & Phelps opinion or otherwise to update, revise, or reaffirm its opinion. Notwithstanding and without limiting the foregoing, in the event that there is any change in any fact or matter affecting Duff & Phelps' opinion after such date and prior to the completion of the merger, Duff & Phelps reserves the right to change, modify or withdraw its opinion.

Summary of Financial Analyses by Duff & Phelps

As part of its analysis to determine whether the merger consideration to be paid by us pursuant to the merger agreement was fair, from a financial point of view, to our common stockholders, Duff & Phelps took into consideration whether the merger consideration to be paid by us was not greater than the fair market value of all of HUGHES Telematics' common stock by estimating the fair market value of HUGHES Telematics.

The following is a summary of the material financial analyses used by Duff & Phelps in connection with providing its opinion to our board of directors. The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses used by Duff & Phelps, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Rather, the analyses listed in the tables and described below must be considered as a whole; considering any portion of such analyses and of the factors considered, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying Duff & Phelps' opinion.

Discounted Cash Flow Analysis

A discounted cash flow analysis is a traditional valuation methodology used to derive a valuation of an asset by calculating the present value of estimated future cash flows of the asset. Present value refers to the current value of future cash flows or amounts and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macro-economic assumptions and estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors. According to Duff & Phelps, a discounted cash flow analysis is the most relevant approach to valuing an early stage company with operations that are not currently generating positive earnings.

Duff & Phelps performed a discounted cash flow analysis by adding (1) the present value of projected free cash flows for HUGHES Telematics for the fiscal years 2008 through 2016 to (2) the present value of the terminal value for HUGHES Telematics as of 2016. Free cash flow is defined as cash that is available to either reinvest or to distribute to securityholders and terminal value refers to the value of all future cash flows from an asset at a particular point in time. The projected free cash flows that Duff & Phelps used in its analysis were based on financial projections and estimates prepared by the management of HUGHES Telematics.

The financial projections provided by HUGHES Telematics were prepared by, and are the responsibility of, HUGHES Telematics' management. The management of HUGHES Telematics believes that the financial projections were prepared on a reasonable basis, reflecting reasonable estimates and judgments. HUGHES Telematics does not, as a matter of course, publicly disclose forward-looking information as to future revenues or other financial information. Projections of this type are based on estimates and assumptions that are inherently subject to significant economic, industry and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of HUGHES Telematics. Further, since the projections cover more than eight years, uncertainties and contingencies are more likely to significantly affect actual results because such information by its nature becomes less reliable with each successive year. Accordingly, there can be no assurance that the projected results would be realized or that actual results would not be significantly lower than projected. In addition, these projections were prepared

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solely for internal use and not for publication or with a view of complying with the published guidelines of the SEC regarding projections or with the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. PricewaterhouseCoopers LLP has neither examined, compiled nor performed any procedures with respect to the such financial projections and, accordingly, does not express an opinion or any other form of assurance with respect thereto. The PricewaterhouseCoopers LLP report included elsewhere in this proxy statement relates to HUGHES Telematics historical financial information. It does not extend to the projected financial information and should not be read to do so.

The projections set forth below are included in this proxy statement only because they were derived from financial projections furnished by HUGHES Telematics to our management and Duff & Phelps in connection with the analysis required for the fairness opinion.

In preparing its discounted cash flow analysis, Duff & Phelps calculated a terminal value for HUGHES Telematics by applying a multiple of 8.0x to projected 2016 earnings before interest, taxes, depreciation and amortization (EBITDA). Duff & Phelps believes that the level of such a multiple is supported by trading multiples of publicly-traded companies that Duff & Phelps selected for purposes of its analysis. In selecting the 2016 EBITDA multiple, Duff & Phelps considered HUGHES Telematics projected revenue and EBITDA growth through 2016, as well as HUGHES Telematics lower capital expenditure requirements, relative to the selected public companies which are discussed below. Duff & Phelps discounted the projected free cash flows and the terminal value for HUGHES Telematics using discount rates ranging from 20% to 25%, which are commensurate with early-stage, high-growth companies. This range of discount rates was selected in light of observed long-term venture capital returns, such as the investor returns tabulated by the National Venture Capital Association.

Duff & Phelps used the following projections for HUGHES Telematics revenues and EBITDA for the fiscal years ending December 31, 2008 to 2016 in its discounted cash flow analysis. EBITDA is not a presentation made in accordance with generally accepted accounting principles in the United States of America. Duff & Phelps used EBITDA because Duff & Phelps believes EBITDA is a measure that is generally accepted by the financial community in the valuation of securities. In compiling the projections, HUGHES Telematics management considered, among other factors, (i) the estimated number of telematics control units to be installed on Chrysler and Mercedes-Benz vehicles based on contractual agreements and vehicle production volumes, (ii) estimated subscriber adoption and retention rates, (iii) subscription and other revenue and (iv) estimates of the costs of hardware, costs of service provision, research and development expense and other selling, general and administrative expenses.

(\$ In Millions)	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenue	\$ 43	\$ 86	\$ 231	\$ 440	\$ 720	\$ 1,050	\$ 1,405	\$ 1,720	\$ 2,001
EBITDA	(\$36)	(\$31)	(\$23)	(\$2)	\$ 102	\$ 170	\$ 272	\$ 374	\$ 452

The discounted cash flow analyses indicated a range of enterprise values for HUGHES Telematics of \$820.0 million to \$1,140.0 million and a range of equity values for HUGHES Telematics of \$830.0 million to \$1,150.0 million.

Selected Public Companies Analysis

Duff & Phelps compared certain financial information and valuation ratios of HUGHES Telematics to corresponding data and ratios from the following seven then-publicly-traded companies: Cablevision Systems Corp.; Comcast Corp.; DIRECTV Group, Inc.; DISH Network Corp.; Sirius Satellite Radio, Inc.; Time Warner Cable, Inc. and XM Satellite Radio Holdings, Inc. These public companies were selected based on similarities between their subscription-based revenue models and HUGHES Telematics revenue model, which is also subscriber-based. HUGHES Telematics and the selected companies services business models all share a focus on subscriber acquisition and retention. Duff &

Phelps used publicly-available historical financial data and Wall Street research estimates as reported by Reuters. This analysis produced multiples of selected valuation data which Duff & Phelps utilized to estimate the terminal value of HUGHES Telematics in year 2016.

Duff & Phelps analyzed the latest twelve months (LTM) and projected EBITDA for each of the publicly-traded companies. Duff & Phelps then analyzed the peer group s trading multiples of enterprise value

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(EV) to their respective LTM and projected EBITDA figures. Duff & Phelps then compared the financial performance metrics of the publicly-traded companies to the projected 2016 financial performance of HUGHES Telematics to support the selection of the terminal multiple utilized in the discounted cash flow analysis. The table below reflects the observed trading multiples and historical and projected financial performance of the aggregate peer group.

	EV/LTM EBITDA	EV/2008E EBITDA	EV/2009E EBITDA	EBITDA LTM	Growth 2008E	EBITDA Margin LTM	EBITDA Margin 2008E
High	8.6x	7.9x	7.4x	23.5 %	22.4 %	38.4 %	38.5 %
Low	6.3x	6.1x	5.4x	16.9 %	6.7 %	(36.4%)	(20.7%)
Mean	7.4x	6.8	6.2x	21.2 %	12.2 %	13.8 %	18.1 %
Median	7.3x	6.7x	6.1x	21.1 %	10.5 %	27.2 %	27.%

Source of underlying data: Bloomberg, Capital IQ, Reuters, SEC filings

None of the public companies utilized in the foregoing analysis is, of course, identical to HUGHES Telematics. Accordingly, a complete valuation analysis cannot be limited to a quantitative review of the selected companies and involves complex considerations and judgments concerning differences in financial and operating characteristics of such companies, as well as other factors that could affect their value relative to that of HUGHES Telematics.

Summary of Analyses

The range of equity values for HUGHES Telematics that Duff & Phelps derived from its discounted cash flow analysis was \$830.0 million to \$1,150.0 million. Duff & Phelps noted that \$480.0 million to \$565.0 million aggregate consideration paid by us (as implied by the merger) to acquire HUGHES Telematics was below the indicated range of equity value from Duff & Phelps discounted cash flow analysis.

Fees and Expenses

The Duff & Phelps engagement letter with us, dated May 29, 2008, provides that, for its services, Duff & Phelps is entitled to receive from us a fee of \$250,000, which was paid as follows: \$125,000 non-refundable retainer upon execution of the engagement letter and \$125,000 upon Duff & Phelps informing us that they are prepared to deliver their opinion. No portion of the fee paid to Duff & Phelps was contingent upon the consummation of the proposed merger. The engagement letter also provides that Duff & Phelps will be paid additional fees at its standard hourly rates for any time incurred should Duff & Phelps be called upon to support its findings subsequent to the delivery of the opinion. In addition, we have agreed to reimburse Duff & Phelps for its reasonable out-of-pocket expenses and to indemnify Duff & Phelps and certain related persons against liabilities arising out of Duff & Phelps service as a financial advisor to our board of directors.

Other than the preparation of the opinion in connection with this merger, during the two years preceding the date of this opinion, Duff & Phelps has not had any material relationship with any party to the proposed transaction for which compensation has been received or is intended to be received, nor is any such material relationship or related compensation mutually understood to be contemplated; except that, as part of its investment banking and financial advisory businesses, Duff & Phelps is regularly engaged in the valuation of businesses and securities in connection with mergers, acquisitions, underwritings, private placements and valuations for corporate and other purposes. These engagements in the two years preceding the date of this opinion have included a solvency opinion engagement for Apollo Management, L.P., a purchase price allocation analysis for HUGHES Telematics in connection with its acquisition of Networkcar, as well as various portfolio valuation review engagements for both Apollo Investment Corporation and Apollo Management, L.P., for each of which Duff & Phelps received customary fees and indemnification. Duff & Phelps may provide valuation and financial advisory services to us or our board of directors (or any committee thereof) in the future.

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Appraisal or Dissenters Rights

No appraisal or dissenters rights are available under the DGCL for the stockholders of Polaris in connection with the merger proposal.

U.S. Federal Income Tax Consequences of the Merger

As the stockholders of Polaris are not receiving any consideration or exchanging any of their outstanding securities in connection with the merger with HUGHES Telematics, and are simply being asked to vote on the matters, the stockholders are not expected to recognize gain or loss for U.S. federal income tax purposes as a result of voting on these matters. If you vote against the merger proposal, properly elect a conversion of all of your shares of Polaris common stock for your pro rata portion of the trust account, terminate your interest in Polaris and the merger is consummated and as a result you receive cash in exchange for your Polaris common stock, you will be required to recognize gain or loss upon the exchange of your shares of common stock for cash. The tax consequences to stockholders of Polaris that properly elect conversion of less than all of their shares may be different, and those stockholders should consult their own tax advisors regarding the consequences of such an election. **WE URGE YOU TO CONSULT YOUR OWN TAX ADVISORS REGARDING YOUR PARTICULAR TAX CONSEQUENCES.**

Anticipated Accounting Treatment

The merger will be accounted for as a reverse acquisition under the purchase method of accounting, with HUGHES Telematics being treated as the accounting acquirer. Consequently, HUGHES Telematics consolidated financial statements will become the historical financial statements of the registrant following consummation of the merger, with the transaction treated as a recapitalization of HUGHES Telematics.

Regulatory Matters

Polaris is required to file and deliver this proxy statement in connection with the special meeting of stockholders of Polaris under the Exchange Act. The merger and the transactions contemplated by the merger agreement are not subject to any additional federal or state regulatory requirement or approval, including the Hart-Scott-Rodino Antitrust

Improvements Act of 1976, or HSR Act , except for filings with the State of Delaware necessary to effectuate the merger.

Consequences If Merger Proposal Is Not Approved

If the merger proposal is not approved by the stockholders, Polaris will not merge with HUGHES Telematics and Polaris will continue to seek other potential business combinations. Each of the merger proposal, the pre-closing certificate amendment proposal and the post-closing certificate amendment proposal are conditioned upon the approval of the other proposals and, in the event one or more of those proposals does not receive the necessary vote to approve that proposal or proposals, none of the proposals will be approved. In such an event, there is no assurance that Polaris will have the time, resources or capital available to find a suitable business combination partner before (1) the proceeds in the trust account are liquidated to holders of Polaris common stock purchased in its initial public offering and (2) Polaris is dissolved pursuant to the trust agreement and in accordance with Polaris certificate of incorporation.

Required Vote

Approval of the merger proposal will require the affirmative vote of a majority of the shares of Polaris common stock (a) voted by public stockholders present and entitled to vote at the special meeting in person or by proxy and (b) outstanding as of the record date. In addition, each Polaris stockholder that holds shares of common stock issued in its initial public offering has the right to vote against the merger proposal and elect that Polaris convert such stockholder shares for cash equal to a pro rata portion of the funds held in the trust account in which a substantial portion of the net proceeds of our initial public offering is deposited, calculated as of two business days prior to the consummation of the merger. These shares will be converted into cash only if the merger is completed and the stockholder complies with the conversion procedures. However, if the holders of 4,500,000 or more shares of Polaris common stock issued in our initial public offering, an amount equal to 30% or more of the total number of shares issued in our initial public offering, vote against the merger and properly elect conversion of their shares for a pro rata portion of the funds held in the trust

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account, then Polaris will not be able to consummate the merger, regardless of whether a majority of the shares of Polaris common stock (a) voted by public stockholders present and entitled to vote at the special meeting in person or by proxy and (b) outstanding as of the record date vote in favor of the merger proposal. Abstentions and broker non-votes will have the same effect as a vote against the merger proposal.

Recommendation

The board of directors has determined unanimously that the merger is in the best interests of Polaris and its stockholders and that it is in the best interests of Polaris that the stockholders approve the merger proposal.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR THE MERGER PROPOSAL. WHEN YOU CONSIDER THE RECOMMENDATION OF POLARIS BOARD OF DIRECTORS, YOU SHOULD KEEP IN MIND THAT CERTAIN OF HUGHES TELEMATICS KEY PERSONNEL AND POLARIS DIRECTORS AND OFFICERS HAVE INTERESTS IN THE MERGER THAT ARE DIFFERENT FROM, OR IN ADDITION TO, YOUR INTERESTS AS A STOCKHOLDER, WHICH ARE DESCRIBED IN INTERESTS OF POLARIS DIRECTORS AND OFFICERS IN THE MERGER.

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THE MERGER AGREEMENT

The following summary of the material provisions of the Agreement and Plan of Merger, or merger agreement, is qualified by reference to the complete text of the merger agreement, a copy of which is attached as Annex A to this proxy statement. All stockholders are encouraged to read the merger agreement in its entirety for a more complete description of the terms and conditions of the merger.

This description of the merger agreement has been included solely to provide investors and security holders with information regarding its terms. While we have publicly disclosed the merger agreement and its terms by incorporating the merger agreement into this proxy statement, the representations and warranties made in the merger agreement may not accurately characterize the current actual state of facts with respect to Polaris or HUGHES Telematics because they were made only for purposes of such agreement and as of the specific dates set forth therein and may be subject to important exceptions, qualifications, limitations and supplemental information agreed upon by the contracting parties, including being qualified by disclosures made in confidential disclosure schedules delivered by the contracting parties in connection with negotiating the merger agreement. Moreover, some of those representations and warranties may have been used for the purposes of allocating contractual risk between the parties to the merger agreement, instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to public filings made with the SEC.

The merger agreement is not intended to provide any other factual information about Polaris or HUGHES Telematics. Current factual information about Polaris and HUGHES Telematics can be found elsewhere in this proxy statement and in certain other public filings that Polaris makes with the SEC, which are available without charge at www.sec.gov.

Structure of the Merger

At the closing of the merger, HUGHES Telematics will be merged with and into Polaris, with Polaris as the surviving corporation in the merger. The merger has been structured to achieve a number of business, tax and other objectives of Polaris and HUGHES Telematics, and will involve a capital reorganization of HUGHES Telematics prior to the closing of the merger such that the only outstanding equity securities, other than warrants issued in connection with the credit facility (which will be exercised in connection with the merger) and stock options, are shares of HUGHES Telematics common stock.

Merger Consideration

In exchange for all of their common stock and options exercisable for common stock of HUGHES Telematics, the HUGHES Telematics stockholders will receive from Polaris, at the closing of the merger, an aggregate of 43,895,112 shares of Polaris common stock and the HUGHES Telematics optionholders will receive options exercisable for an aggregate of 1,618,981 shares of Polaris common stock, subject to certain adjustments. In addition, an aggregate of 27,968,436 earn-out shares will be issued into escrow and released to the HUGHES Telematics stockholders and earn-out options exercisable for an aggregate of 1,031,557 shares of Polaris common stock will be eligible to be exercised, according to their terms, by the HUGHES Telematics optionholders, each in three equal tranches, upon the trading share price of Polaris common stock reaching at least \$20.00, \$24.50 and \$30.50 within certain measurement periods over the five-year period following the closing of the merger.

Not including the earn-out shares, the merger consideration has an aggregate value of approximately \$416.5 million based on the closing price of Polaris common stock on June 13, 2008, the last trading day before the announcement of the proposed merger, and \$376.0 million based on the closing price of Polaris common stock on October 14, 2008.

The number of shares of Polaris common stock received by HUGHES Telematics stockholders at the closing of the merger will be subject to possible adjustments, including the issuance of additional shares of Polaris common stock for the value of equity raised by HUGHES Telematics prior to the closing of the merger, if any, and for a shortfall in the net working capital of Polaris below an agreed upon amount. In particular:

Polaris has agreed to issue to HUGHES Telematics stockholders additional shares of Polaris common stock at the closing of the merger for the net amount of cash consideration received by HUGHES Telematics (after deducting any associated discounts, costs and fees) from the issuance

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and sale by HUGHES Telematics of HUGHES Telematics equity securities between signing of the merger agreement and the mailing of this proxy statement. The number of Polaris shares issued shall equal the net amount of cash consideration referred to above divided by \$10.00. Any cash received by HUGHES Telematics pursuant to its outstanding credit facility (and the related issuance of warrants related to such credit facility) shall not be considered for the purposes of issuing additional shares of Polaris common stock.

Polaris has agreed to issue to HUGHES Telematics stockholders additional shares of Polaris common stock at the closing of the merger for the amount by which the net working capital of Polaris at the closing of the merger (not including any liability to Polaris stockholders who have properly elected to convert their shares into cash) falls below \$138.0 million. The number of Polaris shares issued shall equal the working capital shortfall amount divided by \$10.00.

Earn-Out Consideration

Polaris has agreed to release to the HUGHES Telematics stockholders an aggregate of 27,968,436 earn-out shares from escrow in three equal tranches upon the achievement of certain share price targets within five years after closing of the merger and to provide the HUGHES Telematics optionholders with earn-out options exercisable for an aggregate of 1,031,557 shares of Polaris common stock that will become exercisable in three equal tranches upon the achievement of the same share price targets within five years after closing of the merger. The first tranche of earn-out shares, 9,322,812 shares of Polaris common stock, will be released to the HUGHES Telematics stockholders if the trading price of Polaris common stock equals or exceeds \$20.00 for any 20 trading days within a 30 trading-day period between the first and third anniversaries of the closing of the merger. The second tranche of earn-out shares, 9,322,812 shares of Polaris common stock, will be released if the trading price of Polaris common stock equals or exceeds \$24.50 for any 20 trading days within a 30 trading-day period between the second and fourth anniversaries of the closing of the merger. The final tranche of earn-out shares, 9,322,812 shares of Polaris common stock, will be released if the trading price of Polaris common stock equals or exceeds \$30.50 for any 20 trading days within a 30 trading-day period between the third and fifth anniversaries of the closing of the merger. The earn-out options in each tranche will not be exercisable unless the trading price of Polaris common stock equals or exceeds the \$20.00, \$24.50 and \$30.50 share price targets, respectively, as specified immediately above, and unless the applicable earn-out options would have otherwise been exercisable according to their terms. The tranches for the earn-out options will each contain earn-out options exercisable for an aggregate of 343,852 shares of Polaris common stock. Upon achieving a share price target, the earn-out shares for the applicable tranche will be released to the HUGHES Telematics stockholders within 10 business days and the HUGHES Telematics optionholders will be able to exercise the earn-out options for the applicable tranche, according to the terms of such earn-out options. In the event that a share price target is not met in its measurement period but the immediately succeeding target is met within the succeeding measurement period, the HUGHES Telematics stockholders will receive the earn-out shares related to

both share price targets and the HUGHES Telematics optionholders will be entitled to exercise, according to their terms, the corresponding earn-out options. If a share price target is not met within its measurement period, and for the first and second tranches, the immediately succeeding target is not met within the succeeding measurement period, the earn-out shares related to the missed share price target will be cancelled by Polaris, and the corresponding earn-out options will no longer be capable of becoming exercisable.

Treatment of Outstanding HUGHES Telematics Stock Options

Options exercisable for HUGHES Telematics common stock issued and outstanding immediately prior to the merger will be exchanged in connection with the merger for options to purchase shares of Polaris common stock. The number of shares of Polaris common stock for which each option is exercisable will be determined by multiplying the number of shares of HUGHES Telematics common stock for which such option is exercisable by the exchange ratio (the ratio used to convert HUGHES Telematics common stock into Polaris common stock as merger consideration pursuant to the merger agreement). The exercise price for the Polaris stock option will be determined by dividing the exercise price of the HUGHES Telematics stock option by the exchange ratio. The options to purchase Polaris common stock received in connection with the merger are expected to contain the same general terms and conditions as the options to purchase HUGHES Telematics common stock for which they were exchanged. As of June 30, 2008, all outstanding HUGHES Telematics

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stock options will be exchanged in connection with the merger for options exercisable for an aggregate of 1,618,981 shares of Polaris common stock and additionally, options exercisable for an aggregate of an additional 1,031,557 shares of Polaris common stock, which will be divided into three tranches and will be exercisable if the trading price of Polaris common stock equals or exceeds certain share price targets.

Closing

The closing of the merger will take place on the third business day following the satisfaction or waiver of all conditions described below under the section entitled "The Merger Agreement - Conditions to the Completion of the Merger," or such other date as Polaris and HUGHES Telematics may agree.

Representations and Warranties

The purchase agreement contains customary representations and warranties of each of Polaris and HUGHES Telematics relating to, among other things: (a) proper organization and similar corporate matters; (b) the authorization, performance and enforceability of the merger agreement and related transactions; (c) absence of any conflicts relating to merger agreement and the related transactions; (d) brokers; (e) governmental approvals; (f) capital structure; (g) absence of certain events; (h) financial information and absence of undisclosed liabilities; (i) taxes; (j) title to assets and properties; (k) contracts and commitments; (l) litigation; (m) environmental matters; (n) compliance with laws; (o) employee matters; (p) insurance; (q) proprietary matters; (r) compliance with applicable securities laws and (s) affiliate transactions.

In addition, HUGHES Telematics made additional representations and warranties relating to:

information supplied for use in this proxy statement;
business intellectual property; and

sufficiency of assets.

Polaris also made additional representations and warranties relating to:

information supplied for use in this proxy statement;
Polaris filings with the SEC; and
the required vote of Polaris stockholders.

Materiality and Material Adverse Effect

Certain representations and warranties are qualified by materiality or material adverse effect.

For the purpose of the merger agreement, a material adverse effect as to HUGHES Telematics means any fact, circumstance, change or effect that, individually or in the aggregate, has or is reasonably likely to have a material adverse effect on (1) the ability of HUGHES Telematics to consummate the merger or (2) the condition (financial or otherwise) or results of operations of HUGHES Telematics, taken as a whole. None of the following will be deemed to be or constitute a material adverse effect as to HUGHES Telematics:

the continuation or increase of net operating losses or the use of available capital resources and increased borrowings, in each case permitted by the merger agreement and associated with its business (but not excluding the underlying cause of such losses, uses or borrowings);
the effect of economic, financial or political conditions or changes therein which do not disproportionately affect HUGHES Telematics relative to other participants in its industry;
the effect of any act of war, armed hostilities or terrorism which does not disproportionately affect HUGHES Telematics relative to other participants in its industry; or
changes in the applicable laws or accounting standards.

A material adverse effect as to Polaris means any event, change, circumstance, effect, development or state of facts that, individually or in the aggregate, (1) is, or is reasonably likely to become, materially adverse to the business, prospects, condition (financial or otherwise), assets or results of operations of Polaris or

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(2) would prevent or materially impair or materially delay the ability of Polaris to perform its obligations under the merger agreement. None of the following will be deemed to be or constitute a material adverse effect as to Polaris:

the effect of economic, financial or political conditions or changes therein which do not disproportionately affect Polaris relative to other participants in its industry;
the effect of any act of war, armed hostilities or terrorism which does not disproportionately affect Polaris relative to other participants in its industry; or
changes in the applicable laws or accounting standards.

Covenants

The parties to the merger agreement have agreed to perform certain covenants.

For the period commencing with the execution and delivery of the merger agreement and continuing until the termination of the merger agreement or the closing date, except as expressly permitted by the merger agreement, HUGHES Telematics has agreed that it will (a) carry on its business in all material respects in the ordinary course of business, (b) use reasonable best efforts to preserve intact relationships with HUGHES Communications, Inc. and automakers with which it has contractual relationships and (c) use reasonable best efforts to keep available the

services of its present officers and key employees.

HUGHES Telematics has also agreed that, except for various exceptions contained in the merger agreement or the related disclosure statement and schedules, HUGHES Telematics will not do any of the following:

amend or propose to amend any of its organizational documents that would prevent, restrict or otherwise impair the consummation of the merger or the reorganization actions to be taken prior to the merger, or that would be reasonably expected to materially delay such consummation;

authorize for issuance, issue, sell or deliver or commit to issue, sell or deliver any of its securities, except for equity securities for a net consideration of up to \$75.0 million in the aggregate (such equity issuance to be subject to certain conditions). The equity issuance can in no circumstances materially impair the consummation of the merger or be reasonably expected to materially delay such consummation;

acquire, redeem or amend any of its securities;

make any distribution or declare, pay or set aside any dividend with respect to, or split, combine or reclassify any shares of capital stock or other equity securities;

propose or adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of HUGHES Telematics;

forgive any loans to any of its employees, officers or directors, or any of its affiliates;

except for what is permitted under HUGHES Telematics' existing credit facility, incur or assume any long-term or short-term indebtedness or issue any debt securities, or mortgage, pledge or suffer any lien on any of its material assets;

acquire any other person or entity, or any equity or ownership interest therein, that would materially impair the consummation of the merger or be reasonably expected to delay such consummation;

sell or dispose of any other person or entity, or any equity or ownership interest therein, that would materially impair the consummation of the merger or be reasonably expected to materially delay such consummation;

except as may be required to remain in compliance with law or U.S. GAAP, make any change in any of its accounting principles or practices;

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acquire, sell, lease, license or dispose of any property or assets in any single transaction or series of related transactions, except for transactions that would not materially impair the consummation of the merger or be reasonably expected to materially delay such consummation;

take any action or fail to take any action which could reasonably be expected to prevent the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code (the Code);

except for transactions with HUGHES Communications, Inc., or its subsidiaries, enter into any transactions or agreements with an affiliate of HUGHES Telematics of a type that would be required to be disclosed under Item 404 of Regulation S-K of the Securities Act;

amend, modify, waive, terminate, release any terms of, or grant, assign or transfer any of its material rights under, any contracts with automakers;

change any material tax election, amend any tax returns, change any tax accounting method, settle or compromise any material tax liability, or consent to the extension or waiver of the limitations period applicable to a material tax claim or assessment;

enter into, amend or extend any collective bargaining agreement; or

enter into a contract to do any of the foregoing, or knowingly take any action which would materially impair its ability to consummate the merger in accordance with the terms of the merger agreement or materially delay such consummation.

In addition to the restrictions described above, following the date on which Polaris expects to first distribute this proxy statement to Polaris stockholders, HUGHES Telematics has agreed not to:

authorize for issuance, issue, sell, deliver or commit to issue, sell or deliver, any equity securities; except for issuance of stock options in the ordinary course of business consistent with past practice to newly-hired employees, grant any stock options, stock appreciation rights, restricted shares, restricted stock units or other equity-based awards with respect to the common stock of HUGHES Telematics; except as required by law or any existing benefit plan, (1) increase any compensation of its directors, executive officers, key employees, consultants, contractors or others service providers, other than increases in the ordinary course, (2) establish, or amend in any way that would increase the cost thereunder of, any stock-based compensation plan; (3) accelerate the vesting of or lapsing of any restrictions with respect to stock-based compensation; (4) cause the funding of any rabbi trust or similar arrangement; (5) materially change any actuarial or other assumptions used to calculate funding obligations with respect to employee benefit plans; (6) hire employees in the positions of executive officer (except for replacement hires or hires currently budgeted for) or (7) terminate the employment of any executive officer, other than for cause;

acquire, sell, lease, license or dispose of any property or assets, except for transactions in the ordinary course; acquire (by merger, consolidation or acquisition of stock or assets) any other person or any equity or ownership interest therein for consideration of more than \$5.0 million in the aggregate; settle or compromise any material pending or threatened legal action, or pay or agree to pay or discharge any material liability (other than liabilities in the ordinary course and the payment of liabilities existing on the date of the merger agreement pursuant to their terms); terminate, enter into or amend in any material respect any contract that would be a Company Material Contract as defined in the merger agreement, or waive, release, grant, assign or transfer any of its material rights or claims thereunder;

waive, settle, or release any material rights or claims against third parties; or
enter into a contract to do any of the foregoing.

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For the period commencing with the execution and delivery of the merger agreement and continuing until the termination of the merger agreement or the closing date, except as expressly permitted by the merger agreement, Polaris has agreed not to do any of the following:

propose to adopt any amendments or to amend its organizational documents;
authorize for issuance, issue, sell or deliver any of its securities (including through the grant of options);
acquire or redeem, directly or indirectly, or amend any of its securities or make any distribution or declare, pay or set aside any dividend with respect to, or split, combine or reclassify any of its equity securities, except in connection with the exercise of conversion rights by Polaris stockholders;
propose or adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization;
except as may be required to remain in compliance with GAAP, make any change in any of its accounting principles or practices;
take any action or fail to take any action which could be reasonably expected to prevent the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code;
change any material tax election, amend any tax returns, change any tax accounting method, settle or compromise any material tax liability, or consent to the extension or waiver of the limitations period applicable to a material tax claim or assessment;
enter into a contract to do any of the foregoing, or knowingly take any action which would materially impair its ability to consummate the merger in accordance with the terms of the merger agreement or materially delay such consummation;
enter into any contract that would be a Parent Contract as defined in the merger agreement; or
take any action after the delivery of the working capital certificate that would cause such certificate to be inaccurate in any material respect.

Polaris Proxy Statement and Stockholders Meeting. Polaris has agreed to prepare and file a proxy statement with the SEC and any other filing required under the securities laws or any other federal, foreign or blue sky laws, and to call and hold a meeting of its stockholders for the purpose of seeking the approval of the merger proposal by its stockholders. Subject to its fiduciary duties under Delaware law, Polaris has also agreed that it will, through its board of directors, recommend to its stockholders that they approve the merger proposal, the pre-closing certificate amendment proposal, the post-closing certificate amendment proposal and, if necessary, the adjournment proposal. Polaris has agreed to use best efforts to obtain its stockholders approval, subject to certain limitations.

Provision of Financial Statements. HUGHES Telematics must provide to Polaris for inclusion in this proxy statement (1) HUGHES Telematics and its subsidiaries unaudited consolidated financial statements as of June 30, 2008 and for the six months ending June 30, 2008, as soon as practicable but no later than September 30, 2008; and (2) HUGHES Telematics and its subsidiaries audited consolidated financial statements as of September 30, 2008 and for the nine months ending September 30, 2008 (the September Financial Materials), as soon as reasonably practicable but no later than December 31, 2008.

Directors of Polaris After Closing. Polaris and HUGHES Telematics have agreed to take all necessary actions so that (i) Jeffrey A. Leddy, Andrew D. Africk, Matthew H. Nord, , and , or such other persons designated by Apollo prior to the closing of the merger (at least one of whom must be considered independent under the rules of the American Stock Exchange and NASDAQ), (ii) Marc V. Byron, or such other person designated by the board of directors of Polaris prior to the closing of the merger who is reasonably acceptable to Apollo and (iii) and , or such other persons mutually designated by Polaris board of directors and Apollo, each of whom the board of directors of Polaris has determined to be independent under the rules of the American Stock Exchange and NASDAQ are appointed or elected directors of Polaris effective immediately after the closing of the merger. Because Apollo

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will beneficially own more than 50% of Polaris common stock following the merger, we will operate as a controlled company under applicable rules of both the American Stock Exchange and NASDAQ.

HSR Act. Polaris and HUGHES Telematics will each, if required pursuant to the HSR Act, as promptly as practicable after execution and delivery of the merger agreement, prepare and file the notification required by the HSR Act, respond promptly and in good faith to all information requested by the governmental entities and otherwise cooperate in good faith with each other. Polaris and HUGHES Telematics will use their reasonable best efforts to determine whether any similar filings, consents or waiting periods are required from any third parties or other governmental entities, timely make all such filings and obtain all such consents, and take all reasonable steps as necessary to avoid any action by a governmental entity.

Required Information. Each party will, upon request, furnish the other with all information about themselves and their subsidiaries, their directors, officers, stockholders, partners, and such other matters as reasonably necessary or advisable in connection with the merger, or any statement, filing, notice or application to any third party or governmental entity in connection with the merger. Each party will also each provide the other with full access during normal business hours to its properties, books, records and employees.

Confidentiality. Each party has agreed that all information exchanged in connection with the merger that is not required to be filed with the SEC pursuant to applicable law will be subject to the non-disclosure agreement.

Public Disclosure. Each party has agreed to cooperate in good faith to jointly prepare all press releases and public announcements pertaining to the merger agreement and the merger. Each party has agreed it will not issue or otherwise make any public announcement or communication pertaining to the merger agreement or the merger

without the prior consent of the other party, subject to certain exceptions set forth in the merger agreement. Each party has agreed not to unreasonably withhold approval from the other party with respect to any press release or public announcement. If a party is required by any law or the rules and regulations of, or pursuant to any agreement with, a stock exchange, to make the merger agreement and the terms of the merger public or otherwise issue a press release or make public disclosure, such party will, to the extent permitted by law, consult with the other party and give the other party reasonable time to comment on the release or announcement in advance of issuance.

Reasonable Best Efforts. Each party has agreed to use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable, to consummate the merger, including the following: (1) cause the conditions precedent to the closing of the merger to be satisfied; (2) obtain all necessary consents, approvals or waivers from third parties required as a result of the merger; (3) defend any action challenging the merger agreement or the consummation of the merger and (4) execute and deliver any additional instruments reasonably necessary to consummate the merger and to fully carry out the purposes of the merger agreement.

Notices of Certain Events. Each party has agreed to notify the other of (1) any notice from any person alleging that person's consent is required in connection with the merger or the reorganization and (2) any event affecting the parties, the assets, liabilities or employees of the parties or the consummation of the merger.

Directors and Officers Insurance. Until the sixth anniversary of the date of closing of the merger, Polaris is obligated to maintain directors' and officers' liability insurance for persons covered under its directors' and officers' insurance policy as of the date of the execution and delivery of the merger agreement with the same directors' and officers' liability insurance coverage as provided by Polaris from time to time to its existing directors and officers.

However, Polaris will not be required to expend in the aggregate amounts in any year in excess of 250% of the amount of the last annual premium for such insurance to cover its then existing directors and officers (in which event, Polaris is obligated to purchase the greatest coverage available for such amount).

Notice of Changes. Each party will give prompt notice to the other upon becoming aware of (1) any event that would cause any of its representations or warranties to be untrue or inaccurate or (2) any failure to comply with any covenant, condition or agreement to be complied with or satisfied prior to the closing of the merger, in either case the discovery, occurrence or failure of which would permit the other party to terminate

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the merger agreement without regard to cure periods. With the exception of certain representations and warranties, HUGHES Telematics may disclose additional matters to Polaris not later than 10 business days prior to the mailing of this proxy statement to reflect an action taken after the signing of the merger agreement and permitted to be taken under its interim covenants, so long as HUGHES Telematics is in compliance with its obligations under the merger agreement relating to the subject matter of such disclosure. Such supplemental disclosures will not prevent Polaris from terminating the merger agreement or not consummating the merger because of a breach of HUGHES Telematics representations and warranties. HUGHES Telematics may not make such a supplemental disclosure if such matter (1) arose prior to the date of the merger agreement and was required to be disclosed or (2) resulted from a breach of any covenant or agreement by HUGHES Telematics or Polaris. Such supplemental disclosure will not cure any breach of representation or warranty that otherwise might have existed by reason of any variance or inaccuracy.

Amended and Restated Polaris Organizational Documents. Promptly following the closing of the merger, Polaris will (1) amend its certificate of incorporation as described in this proxy statement and (2) amend its bylaws substantially to the form set forth in the exhibits to the merger agreement.

No Solicitation. From the date of the merger agreement through either the closing or the termination of the agreement, neither HUGHES Telematics nor Apollo Management, L.P. and its affiliates shall authorize or permit any of its officers, directors, employees, investment banks, attorneys, accountants, consultants or other agents or advisors to, directly or indirectly, (1) furnish confidential information relating to HUGHES Telematics or any of its subsidiaries, afford access to their business, properties, assets, books or records, or otherwise knowingly assist, participate in, facilitate or encourage any effort by, or have discussions with, any third party seeking to make, or that has made, a proposal to acquire HUGHES Telematics, or (2) with respect to HUGHES Telematics, enter into an acquisition agreement with a third party. From the date of the merger agreement through either the closing or the termination of the agreement, Polaris shall not authorize or permit any of its officers, directors, employees, investment banks, attorneys, accountants, consultants or other agents or advisors to, directly or indirectly, make a proposal to acquire a third party or have discussions with another party regarding an acquisition. However, Polaris may engage in discussions with a third party (1) in response to an unsolicited bona fide proposal or offer from such third party, (2) that Polaris board of directors has determined in good faith to be reasonably likely to be more favorable to Polaris and its stockholders than the merger or (3) where failure to engage in such discussion would cause Polaris board of directors to violate its fiduciary duties.

Additional Agreements. The parties agree to use their reasonable best efforts to finalize certain additional agreements described below as soon as reasonably practicable following the date of the merger agreement.

Reservation of Polaris Common Stock. At least 48 hours prior to the closing of the merger, Polaris will reserve a sufficient number of shares of Polaris common stock, based upon a good faith effort, to be available for issuance upon exercise of all the HUGHES Telematics stock options exchanged pursuant to the merger into options to acquire Polaris common stock.

Pre-Closing Confirmation and Certification. No later than 72 hours prior to the closing of the merger, Polaris will (1) give the trustee of the trust account advance notice of effective time of the merger, (2) use its best efforts to cause the trustee to provide a written confirmation to HUGHES Telematics of the dollar amount held in the trust account that will be released to the combined company upon consummation of the merger and (3) provide a certificate setting forth the estimated working capital shortfall, calculated as the positive difference between \$138.0 million and Polaris net working capital (as calculated pursuant to the merger agreement) immediately prior to the effective time. No later than 72 hours prior to the printing of the proxy statement, HUGHES Telematics will provide a certificate setting forth (1) the net amount of cash consideration received by HUGHES Telematics (after deducting any associated discounts, costs and fees) from the issuance of equity securities of HUGHES Telematics between the signing of the merger agreement and the mailing of this proxy statement, and (2) the number of shares of Polaris common stock to be issued for such cash consideration. Any cash received by HUGHES Telematics pursuant to its outstanding credit facility (and the related issuance of warrants related to such credit facility) will not be considered for the purposes of issuing additional shares of Polaris common stock.

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HUGHES Telematics Stockholder Representation Letters. To the extent reasonably required to comply with the Securities Act, HUGHES Telematics will use its commercially reasonable best efforts to promptly obtain from all of the holders of HUGHES Telematics common stock immediately prior to the effective time a reasonable and customary investor representations letter.

Reorganization. Prior to the closing of the merger, HUGHES Telematics and the HUGHES Telematics stockholders who are party to the Support and Reorganization Agreement will reorganize HUGHES Telematics capital structure such that the only outstanding equity securities, other than warrants issued in connection with the credit facility (which will be exercised in connection with the merger) and stock options, are shares of HUGHES Telematics

common stock. If warrants issued in connection with the credit facility are not exercised prior to the effective time of the merger, HUGHES Telematics must effect the automatic exercise of such warrants immediately following the effective time, and Polaris and HUGHES Telematics will amend the terms of the merger agreement as reasonably necessary to ensure that this exercise has no economic effect on the merger or the relative rights of the parties.

Conditions to the Completion of the Merger

The obligations of both Polaris and HUGHES Telematics to complete the merger are subject to the satisfaction or waiver by the other party at or prior to the closing date of various conditions, including:

the absence of any law or action by any court or other United States government entity which may make the merger illegal or otherwise prohibit consummation of the merger;

the termination or expiration of the HSR Act waiting period, the receipt of all approvals and consents of a governmental entity have been made, except where the failure to obtain such approval or consent would not have a material adverse affect on Polaris, HUGHES Telematics or the operation of the business of the combined company and its subsidiaries from and after the effective time; and

the approval by Polaris stockholders of the merger and the other proposals contained in this proxy statement.

Polaris obligation to complete the merger is also subject to:

the representations and warranties of HUGHES Telematics that relate to authority, no brokers, capital structure, transactions with affiliates and stockholder approval being true and correct in all respects, and all of HUGHES Telematics other representations and warranties being true and correct as of the closing date as if they were made on that date, except as would not have a material adverse effect;

HUGHES Telematics performance or compliance in all material respects with its covenants and obligations contained in the merger agreement;

there having been no material adverse effect with respect to HUGHES Telematics since the date of the merger agreement;

each of the additional agreements, described below, having been delivered by each of the parties to such agreements, other than Polaris or the holders of Polaris common stock;

Polaris having received from Wachtell, Lipton a written opinion, dated as of the closing date, to the effect that the merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code; and

appraisal not having been demanded and validly perfected in accordance with the DGCL for more than 1,000 shares of HUGHES Telematics common stock (as adjusted for stock dividends, stock splits and similar events).

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HUGHES Telematics obligation to complete the merger is also subject to:

the representations and warranties of Polaris that relate to organization and authority being true and correct as of the closing date as if they were made on that date, and all of Polaris other representations and warranties being true and correct as of the closing date as if they were made on that date, except as would not have a material adverse effect; Polaris performance or compliance in all material respects with its covenants and obligations contained in the merger agreement to be performed or complied with prior to the closing date;

there having been no material adverse effect with respect to Polaris since the date of the merger agreement; each of the additional agreements, described below, having been delivered by each of the parties to such agreements, other than HUGHES Telematics, the holders of HUGHES Telematics common stock and other equity securities of HUGHES Telematics, or HUGHES Telematics officers or employees;

HUGHES Telematics having received from Skadden, Arps a written opinion, dated as of the closing date, to the effect that the merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code;

at least 48 hours prior to the closing, Polaris having reserved a sufficient number of shares of Polaris common stock, based on its good faith estimate, to be available for issuance upon exercise of all the converted HUGHES Telematics stock options; and

Polaris having used its reasonable best efforts to ensure that the shares of Polaris common stock to be issued in connection with the merger have been authorized for listing on any national securities exchange or national quotation system on which the Polaris common stock is then listed or quoted.

If Polaris waives a material condition to the merger, it will then consider resoliciting stockholder approval of the merger. The decision to resolicit stockholder approval will depend upon whether the Polaris board of directors believes that a Polaris stockholder could reasonably be expected to take into account the waiver of the condition in deciding how to vote on the merger. At this time, the Polaris board of directors does not contemplate or intend to waive any of the conditions of the merger agreement.

Termination

The merger agreement may be terminated and the merger abandoned at any time prior to the closing:

by mutual written agreement of Polaris and HUGHES Telematics;

by either party, if the closing of the merger has not occurred before the earlier of (1) April 15, 2009 or (2) 70 days after the date this proxy statement was distributed to Polaris stockholders;

by either party, if there is any law or court or governmental order, which is not subject to appeal or has become final, that makes consummation of the merger illegal or otherwise prohibited;

by either party, if there has been a breach of any representation, warranty, covenant or agreement by the other party that would cause (1) a representation or warranty not to be true and correct as of the closing (and, with respect to certain representations by HUGHES Telematics, not to be true and correct when made), subject to certain materiality standards or (2) a required covenant or agreement not to be performed in some material respect, unless such breach is curable prior to the termination date and the party continues to exercise reasonable best efforts to cure it (unless, in the case of a breach by HUGHES Telematics, the breach is not cured within 45 days);

by HUGHES Telematics if Polaris board of directors changes its recommendation to its stockholders regarding the merger;

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by either party, if the required approvals of Polaris stockholders related to the merger are not obtained; or by Polaris, if HUGHES Telematics fails to deliver the September Financial Materials as soon as reasonably practicable but no later than December 31, 2008.

Effect of Termination

In the event of termination of the merger agreement, the merger agreement will become void and have no effect, without any liability on the part of either party or its affiliates or representatives, except that (1) the provisions of the merger agreement concerning confidentiality, the trust waiver, certain general provisions of the merger agreement and definitions in the merger agreement will survive termination, and (2) each party will still be liable for any fraud, willful misrepresentation or intentional material breach of the merger agreement.

Survival

All representations and warranties of HUGHES Telematics in the merger agreement, the transaction documents or any certificate delivered in connection with the merger agreement will survive the closing of the merger and continue in effect for 15 months thereafter. All representations and warranties of Polaris will terminate at the closing of the merger. The covenants of HUGHES Telematics and Polaris contained in the merger agreement will survive the closing of the merger indefinitely or until, by their respective terms, they expire.

Indemnification

HUGHES Telematics stockholders must indemnify and hold harmless Polaris, the combined company and their respective directors, officers, agents, employees, successors and assigns (collectively, the Polaris indemnitees) for any losses, whether as a result of any third-party claim or otherwise, by reason of, arising out of or resulting from (1) HUGHES Telematics breach of any representation and warranty of HUGHES Telematics in the merger agreement, any transaction document, any schedule or any certificate delivered by HUGHES Telematics pursuant to the merger agreement or in connection with the closing of the merger; (2) the breach of any covenant or agreement of HUGHES Telematics contained in the merger agreement; (3) certain pre-closing taxes of HUGHES Telematics or its subsidiaries in excess of any amounts specifically identified and reserved in its audited consolidated balance sheet as of December 31, 2007 or taxes of other persons for which HUGHES Telematics or any of its subsidiaries may be liable under Treasury Regulation §1.1502-6 or similar state, local or foreign provision or (4) Polaris enforcement of its rights to indemnification under the merger agreement.

As the sole and exclusive source of indemnification, 7.5% (3,292,137 shares) of the 43,895,112 shares of Polaris common stock to be issued to the HUGHES Telematics stockholders as merger consideration upon consummation of the merger will be deposited in escrow and reserved for indemnification (the escrowed indemnity shares). In addition, 7.5% (2,097,630 shares) of the 27,968,436 earn-out shares of Polaris common stock to be issued to HUGHES Telematics stockholders upon the achievement of certain share price targets over the five-year period following the closing of the merger will be deposited in escrow and reserved for indemnification, with each tranche of earn-out shares contributing one-third of such indemnity shares (the earn-out indemnity shares). Except in the case of fraud, willful misrepresentation or intentional breach, any indemnification payments will be paid solely from the shares placed in escrow and reserved for indemnification. Claims for indemnification may be asserted by Polaris once the damages exceed a deductible of \$2.0 million in the aggregate, in which event the amount payable will include all amounts in the deductible and all future amounts that become payable thereafter. All amounts payable will be net of any tax benefit realized by the combined company or any Polaris indemnitee and settled first against the escrowed indemnity shares, then against the earn-out indemnity shares on a pro rata basis against each tranche of earn-out shares. The escrowed indemnity shares, less any of the shares applied in satisfaction of a claim for indemnification and the shares related to any claim for indemnification that is then unresolved, will be released on the fifth business day following the date that is 15 months from the closing of the merger to such persons as set forth in the merger agreement. The earn-out indemnity shares, less any of the shares applied in satisfaction of a claim for indemnification and the shares related to any claim for indemnification that is then unresolved, will be released when the corresponding tranche of earn-out shares are released to such persons as set forth in the merger agreement. For purposes of satisfying an indemnification claim, shares of Polaris common stock will

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be valued at last sale price regular-way on the date of payment to a Polaris indemnitee or, if no such sale takes place on that date, the average of the closing bid and asked prices regular-way on the principal securities exchange on which

the Polaris common stock is listed or admitted to trading, or, if the Polaris common stock is not listed on that day, the average of the highest bid and lowest asked prices on that day in the domestic over-the-counter market as reported by the National Quotations Bureau, Incorporated, or any similar or successor organization.

Apollo is designated as the initial escrow representative with respect to indemnification matters. Apollo will act as the representative of HUGHES Telematics stockholders and may take actions with respect to claims made by a Polaris indemnitee for indemnification under the merger agreement (including, without limitation, the power to agree to, negotiate, enter in settlements and compromises of, and comply with orders of courts with respect to, any claims for indemnification). The escrow representative is the only party entitled to assert the rights of HUGHES Telematics stockholders with respect to indemnification under the merger agreement. Each HUGHES Telematics stockholder will indemnify the escrow representative from and against such stockholder's ratable share of all liabilities, losses, damages, claims, costs or expenses incurred by the escrow representative arising out of or resulting from its permitted actions and omissions in its capacity as escrow representative. If the escrow representative resigns or is unable to act, it will select a successor.

At the closing of the merger, Polaris, the escrow representative and Continental Stock Transfer & Trust Company will enter into an escrow agreement in customary form and substance as reasonably agreed to by Polaris and HUGHES Telematics.

Marc V. Byron will control all actions and decisions of Polaris or the combined company for the purposes of amendment, waiver or termination of the merger agreement; indemnification under the merger agreement; delivery or cancellation of the earn-out shares or escrowed indemnity shares and the achievement of the price targets for release of the earn-out shares or the escrow agreement (or any disputes relating to the foregoing). If Mr. Byron ceases to be on the board, his replacement (who will be nominated by the initial stockholders of Polaris and elected in accordance with the shareholders' agreement) will so act, or, if there is no such person on the board, an independent director, as defined under the applicable stock exchange rules and who has not for the preceding two years had a material relationship with Apollo Management, L.P. or its affiliates (the unaffiliated directors), will so act.

The combined company will give the escrow representative and the unaffiliated directors written notice after receiving written notice of a third-party claim or after discovering a third-party claim, specifying the details of such claim. The unaffiliated directors will defend, contest or otherwise protect the Polaris indemnitees against the third-party claim and may claim, for and on behalf of the combined company, all or a portion of the Escrowed Indemnity Shares or earn-out shares reserved for indemnification as reimbursement for costs and expenses incurred in such defense.

Amendments

Prior to closing, the merger agreement may only be amended with the written consent of both Polaris and HUGHES Telematics. From and after the closing of the merger, any amendment will require the consent of Polaris and Apollo (or the successor escrow representative). Any post-closing amendment to the merger agreement must be approved by a majority of Polaris unaffiliated directors.

Fees and Expenses

Each party will pay all of its respective transaction fees and expenses.

Trust Account Waiver

HUGHES Telematics and each of the holders of HUGHES Telematics common stock and other equity securities has waived any rights, title, interest or claim of any kind it has or may have in the future in or to any monies in the trust

account and agrees not to seek recourse (whether directly or indirectly) against the trust account or any funds distributed therefrom (except for monies distributed to Polaris from time to time to cover its tax obligations) as a result of, or arising out of, any claims against Polaris or otherwise arising under the merger agreement or otherwise.

Governing Law

The merger agreement is governed by the laws of the State of Delaware.

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AGREEMENTS RELATED TO THE MERGER

Shareholders Agreement

As a condition to closing the merger, Polaris, Polaris initial stockholders and certain HUGHES Telematics stockholders will enter into a shareholders agreement. The signatory HUGHES Telematics stockholders will include Apollo, Jeffrey A. Leddy, Erik J. Goldman, Robert C. Lewis, Craig J. Kaufmann, Kevin Link, Charles Link, Frederick Blumer, Art McMahon, Andrew D. Africk, Matthew H. Nord, Keith J. Schneider, the Jeffrey A. Leddy Grantor Retained Annuity Trust and Blumer Family LLC.

Under this agreement, the signatory HUGHES Telematics stockholders will agree not to transfer any shares of Polaris common stock, including shares of Polaris common stock underlying stock options, issued to them in the merger for a period of two years after the closing of the merger, with certain limited exceptions for private transfers (e.g., to family members) where the transferee agrees to be bound by the terms of the lock-up exceptions. Additionally, HUGHES Telematics stockholders will agree not to transfer any earn-out shares of Polaris common stock, including shares of Polaris common stock underlying earn-out options, issued to them in the merger and placed in escrow until the earlier of (i) one year following any of the three possible distributions of these securities from escrow, which will occur only if the price of Polaris common stock equals or exceeds certain targets specified in the merger agreement, with respect to the securities released in each applicable distribution or (ii) the end of the measurement period during which the applicable target for each distribution was achieved with respect to the securities that were distributed. All of the HUGHES Telematics stockholders are subject to these transfer restrictions except for one non-employee, unaffiliated stockholder of HUGHES Telematics, who will own less than 50,000 shares of Polaris common stock at the closing of the merger (including earn-out shares). HUGHES Telematics stockholders may vote the earn-out shares without restriction and escrowed indemnity shares while they remain in escrow.

In addition, our initial stockholders will agree that the Polaris common stock and insider warrants owned by them and held in escrow will continue to be subject to the restrictions and other provisions of the Stock Escrow Agreement and Warrant Escrow Agreement, each dated as of January 11, 2008, by and among Polaris, certain of our initial stockholders and Continental Stock Transfer & Trust Company. These shares of Polaris common stock have been placed in escrow until the earliest of (i) one year after the consummation of a business combination, (ii) the last sales price of Polaris common stock equals or exceeds \$18.00 per share for any 20 trading days within any 30-trading day period commencing after the consummation of the business combination or (iii) Polaris consummates a subsequent liquidation, merger, stock exchange or similar transaction that results in Polaris stockholders having the right to exchange their shares of common stock for cash, securities or other property. While these shares are held in escrow, the holders of these securities may not transfer their securities, with certain exceptions for private transfers (e.g., to family members) where the transferee agrees to be bound by the terms of the Stock Escrow Agreement. The insider warrants have been placed in escrow and will not be released until 45 days after the completion of a business

combination. The initial stockholders have agreed that the insider warrants will not be sold or transferred by them until 45 days after Polaris has completed a business combination.

The parties to the shareholders' agreement will agree that, immediately upon the closing of the merger, Polaris' board of directors will be expanded to nine members and that the directors of the combined company will initially be (i) Jeffrey A. Leddy, Andrew D. Africk, Matthew H. Nord, _____, _____ and _____, or such other persons designated by Apollo prior to the closing of the merger (at least one of whom must be considered independent under the rules of both the American Stock Exchange and NASDAQ), (ii) Marc V. Byron, or such other person designated by the board of directors of Polaris prior to the closing of the merger who is reasonably acceptable to Apollo and (iii) _____ and _____, or such other persons mutually designated by Polaris' board of directors and Apollo, each of whom the board of directors of Polaris has determined to be independent under the rules of both the American Stock Exchange and NASDAQ. Accordingly, Apollo will have significant control over the combined company and significant transactions after the merger.

In the event Marc V. Byron resigns, is removed, or is unable to serve on our board of directors while earn-out shares or escrowed indemnity shares remain in escrow (the escrow period), Polaris will nominate a replacement designated by our initial stockholders (as determined by a majority-in-interest of the initial

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stockholders). All parties to the shareholders' agreement will vote their shares in favor of Marc V. Byron or a replacement director designated by the initial stockholders until the earlier of (i) the termination of the escrow period and (ii) the date when the initial stockholders hold less than 50% of the outstanding shares of Polaris common stock held by the initial stockholders at the closing of the merger.

The shareholders' agreement will provide for certain registration rights beginning after the expiry of the applicable transfer restrictions for the shares of Polaris common stock issued to HUGHES Telematics stockholders in the merger, the shares of Polaris common stock held by the initial stockholders, the Polaris warrants and shares of Polaris common stock underlying such warrants (the registerable securities). Under the shareholders' agreement, HUGHES Telematics stockholders and the initial stockholders will be afforded demand rights, shelf registration rights and piggyback rights.

The registration rights provisions of the shareholders' agreement will replace the registration rights agreements currently in effect between Polaris and its initial stockholders.

The HUGHES Telematics stockholders holding a majority-in-interest of the HUGHES Telematics stockholders registerable securities and the initial stockholders holding a majority-in-interest of the initial stockholders' registerable securities will be able to make written demands (a demand notice) to Polaris to register all or any portion of their respective registerable securities (a demand registration) at any time after the expiry of the applicable transfer restrictions and will also be able to make shelf takedown demands for their respective registerable securities at any time after Polaris has become eligible to file registration statements on Form S-3 and after the expiry of the applicable transfer restrictions. Polaris will not be required to (i) effect more than two demand registrations and two shelf takedown demands initiated by the initial stockholders or four demand registrations and four shelf takedown demands initiated by HUGHES Telematics stockholders or (ii) effect a demand registration or shelf takedown for the initial stockholders if the value of registerable securities in the proposed registration or shelf takedown is less than \$2.0 million, or effect a demand registration or shelf takedown for the HUGHES Telematics stockholders if the value of registerable securities in the proposed registration or shelf takedown is less than \$20.0 million. The demand notice and demand registration are subject to customary limitations on demands, cutbacks, withdrawals and underwriters. HUGHES Telematics stockholders and the initial stockholders will have unlimited piggyback rights after the expiry of the applicable transfer restrictions, subject to customary restrictions. Securities will cease to be registerable pursuant to the shareholders' agreement once they are saleable under Rule 144 and not subject to the volume restrictions therein.

Polaris will agree to indemnify the HUGHES Telematics stockholders and initial stockholders from any losses arising out of, or based upon, any untrue statement of a material fact contained in any registration statement or prospectus, any omission to state a material fact therein or necessary to make the statements therein not misleading or any violation by Polaris of the Securities Act relating to action or inaction required of Polaris in connection with any such registration, provided such registration statement or prospectus included securities requested to be registered pursuant to the shareholders' agreement. Each HUGHES Telematics stockholder and each of our initial stockholders will, in the event that any registration is being effected pursuant to the shareholders' agreement for such securities, agree to indemnify and hold harmless Polaris from any losses arising out of, or based upon, any untrue statement of a material fact contained in any registration statement or prospectus, any omission to state a material fact required to be stated therein or necessary to make the statement therein not misleading, if the statement or omission was made in reliance upon and in conformance with information furnished in writing to Polaris by such HUGHES Telematics stockholder or our initial stockholder.

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The shareholders' agreement will terminate (i) with respect to the HUGHES Telematics stockholders, on the date when the HUGHES Telematics stockholders hold less than 10% of the outstanding Polaris common stock, and (ii) with respect to all parties, on the date of a change of control of Polaris. The registration rights of the HUGHES Telematics stockholders and the initial stockholders, as applicable, will survive until such holders no longer own any Polaris common stock (or, with respect to the initial stockholders, any warrants). The indemnification provisions will survive the termination of the shareholders' agreement.

Escrow Agreement

At the closing of the merger, Polaris, the escrow representative and Continental Stock Transfer & Trust Company will enter into an escrow agreement in customary form and substance as reasonably agreed to by Polaris and HUGHES Telematics. The escrow agreement will govern the terms of, and limit the transferability of, the earn-out shares and the escrowed indemnity shares.

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THE PRE-CLOSING CERTIFICATE AMENDMENT PROPOSAL

Proposal

Assuming the merger proposal is approved by Polaris stockholders, Polaris is proposing to amend its amended and restated certificate of incorporation to (A) change Polaris' name from Polaris Acquisition Corp. to (B) increase the number of Polaris' authorized shares of common stock from 55,000,000 to 155,000,000 and authorized shares of preferred stock from 1,000,000 to 10,000,000, (C) remove the entirety of Article Fifth and (D) amend certain other ministerial provisions of the certificate of incorporation, each as set forth in the form of Polaris' restated certificate of incorporation attached as Annex B. If the merger proposal is not approved, the pre-closing certificate amendment proposal and the post-closing certificate amendment proposal will not be presented at the special meeting.

In the judgment of our board of directors, the pre-closing certificate amendment proposal is desirable in order to (1) ensure that our name will adequately reflect our business operations in the event that the merger with HUGHES Telematics is consummated, (2) ensure that we have a sufficient number of authorized shares of our capital stock to enable us to complete the merger, (3) remove information about our incorporator, Jeffrey M. Gallant, that is no longer applicable after consummation of the merger and (4) make certain ministerial changes to the certificate of incorporation after giving effect to the various amendments contained in the pre-closing certificate amendment proposal. Furthermore, the increase in authorized shares of preferred stock can be useful in providing the board of directors with flexibility when considering future financing transactions. You are urged to read the restated certificate of incorporation in its entirety.

Required Vote

The approval of the pre-closing certificate amendment proposal will require the affirmative vote of the holders of a majority of the outstanding shares of Polaris common stock on the record date. Abstentions and broker non-votes will have the same effect as a vote against the pre-closing certificate amendment proposal.

Recommendation

The board of directors of Polaris believes that it is in the best interests of Polaris that the stockholders approve the proposal to amend certain other provisions of the certificate of incorporation relating to the operation of Polaris as a blank check company prior to the consummation of the a business combination, including, among other things, certain other ministerial amendments, as more fully set forth in the form of Polaris restated certificate of incorporation attached as Annex B. Such sections will not be applicable upon consummation of the merger.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR APPROVAL OF THE APPROVAL OF THE PRE-CLOSING CERTIFICATE AMENDMENTS PROPOSAL.

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THE POST-CLOSING CERTIFICATE AMENDMENT PROPOSAL

Proposal

Assuming the merger proposal is approved by Polaris stockholders, Polaris is proposing, effective after the consummation of the merger, (A) to remove provisions of Article Third relating to the dissolution and liquidation of Polaris in the event that a business combination is not consummated prior to January 11, 2010, (B) to replace (1) the entirety of Article Sixth with a provision providing that Polaris is to have perpetual existence and (2) the entirety of Article Seventh with a provision providing that Polaris reserves the right to amend, alter, change or repeal any provision in Polaris amended and restated certificate of incorporation in the manner now or hereafter prescribed therein and by the laws of the State of Delaware, all of which relate to the operation of Polaris as a blank check company prior to the consummation of a business combination and (C) amend certain other ministerial provisions of the certificate of incorporation. The form of restated certificate of incorporation as expected to be approved and filed after giving effect to all of the proposed amendments described in the pre-closing certificate amendment proposal and

the post-closing certificate amendment proposal is attached as Annex B. If the merger proposal is not approved, the pre-closing certificate amendment proposal and post-closing certificate amendment proposal will not be presented at the special meeting.

In the judgment of our board of directors, the post-closing certificate amendment proposal is desirable because the entirety of Article Sixth, the entirety of Article Seventh and the provisions of Article Third to be amended as described above relate to the operation of Polaris as a blank check company prior to the consummation of a business combination. Article Third provides, among other things, that if a business combination is not consummated prior to January 11, 2010, Polaris' purpose will automatically, on January 11, 2010, be limited to effecting and implementing the dissolution and liquidation of Polaris and taking other necessary actions for that limited purpose. Article Sixth requires that Polaris' existence terminate on January 11, 2010. Article Seventh requires, among other things, that proceeds from Polaris' initial public offering be held in a trust account until a business combination or liquidation of Polaris has occurred, that the terms of a proposed business combination be submitted for approval by Polaris' stockholders, and that Polaris' board be divided into three classes. These sections will not be applicable following consummation of the merger. The provisions that will replace these sections are necessary to adequately address the post-merger needs of Polaris as an operating company.

Required Vote

The approval of the post-closing certificate amendment proposal will require the affirmative vote of the holders of a majority of the outstanding shares of Polaris common stock on the record date. Abstentions and broker non-votes will have the same effect as a vote against the post-closing certificate amendment proposal.

Recommendation

The board of directors of Polaris believes that it is in the best interests of Polaris that the stockholders approve the proposal to amend our certificate of incorporation to replace, effective after the consummation of the merger, the entirety of Article Sixth and the entirety of Article Seventh with the provisions described above and remove the provisions of Article Third set forth above. These provisions relate to the operation of Polaris as a blank check company prior to the consummation of a business combination, and none of these sections will be applicable after the consummation of the merger. Our certificate of incorporation requires that the removal or amendment thereof may only become effective upon the consummation of a business combination.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR APPROVAL OF THE APPROVAL OF THE POST-CLOSING CERTIFICATE AMENDMENT PROPOSAL.

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THE ADJOURNMENT PROPOSAL

Proposal

An adjournment proposal, if presented by Polaris' board of directors, would allow the special meeting to be adjourned to a later date or dates, if necessary, to permit further solicitation of proxies in the event, based on the tabulated votes, there are not sufficient votes at the time of the special meeting to approve the consummation of the merger. In no

event will Polaris solicit proxies to adjourn the special meeting or consummate the merger beyond the date by which it may properly do so under its second amended and restated certificate of incorporation and Delaware law.

Consequences If Adjournment Proposal Is Not Approved

If an adjournment proposal is presented to the special meeting and is not approved by the stockholders, Polaris board of directors will not be able to adjourn the special meeting to a later date in the event, based on the tabulated votes, there are not sufficient votes at the time of the special meeting to approve the consummation of the merger. In such event, the merger will not be completed and, unless Polaris is able to consummate a business combination with another party no later than January 11, 2010, it will be required to liquidate.

Required Vote

The approval of the adjournment proposal will require the affirmative vote of the holders of a majority of the shares of Polaris common stock represented in person or by proxy and entitled to vote thereon at the special meeting. Abstentions and broker non-votes will have no impact upon the approval of the adjournment proposal.

Recommendation

The board of directors of Polaris believes that it is in the best interests of Polaris that the stockholders approve the adjournment proposal.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR THE APPROVAL OF THE ADJOURNMENT PROPOSAL.

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BUSINESS OF HUGHES TELEMATICS

Overview

HUGHES Telematics, Inc. is an automotive telematics services company that currently provides and is further developing a broad suite of real-time services and applications to serve drivers and owners of automobiles. These services and applications will be enabled through a state-of-the-art communications infrastructure, including a hardware component that is factory-installed in new vehicles as a result of multi-year contractual arrangements with automakers. In certain instances, these services will be available through HUGHES Telematics interfacing with compatible third-party hardware already installed by automakers.

HUGHES Telematics has contracts to be the provider of telematics services in the United States for owners of new vehicles sold by Chrysler and Mercedes-Benz starting in 2009. HUGHES Telematics also continues to market its telematics service to other automakers. Through Networkcar, its wholly-owned subsidiary, HUGHES Telematics currently offers remote vehicle monitoring and other data services through after-market hardware sold by Networkcar to be installed on existing fleet vehicles.

From its inception through the six months ended June 30, 2008, all of HUGHES Telematics revenues were earned through the sale of Networkcar's products and services. For the six months ended June 30, 2008 and the year ended

December 31, 2007, Networkcar generated revenues of approximately \$13.0 million and \$20.4 million, respectively. Although Networkcar has been HUGHES Telematics sole source of revenue to date, HUGHES Telematics expects to derive its revenue increasingly from the telematics services provided to Chrysler and Mercedes-Benz vehicles and those being marketed to other automakers. HUGHES Telematics expects a significant portion of its future revenues to be generated from subscriptions for consumer service offerings, as well as from transaction or pre-paid package fees, hardware sales, automaker and dealer service offerings and from strategic relationships with third parties, who are expected to develop applications for HUGHES Telematics services and product offerings.

Services and Products for Automotive Manufacturers

HUGHES Telematics anticipates offering the following services (as well as many others) to owners and lessors of vehicles with compatible factory-installed hardware:

Safety and Security	Automatic crash notification, emergency calling, stolen vehicle location assistance, roadside assistance, tripped alarm notification, emergency messaging and emergency management.
Navigation	GPS and dead reckoning technologies, the integration of dynamic data including real-time traffic data, a comprehensive list of up-to-date points of interest, dynamic maps, scenic descriptions, turn-by-turn directions, geo-tagging and preferred daily routes with a web interface to customize navigation options.
Convenience	Conversational voice recognition, remote access, personal calling using the embedded cellular phone, Bluetooth-enabled hands-free calling, hands-free audible e-mail, family locate/geo-fencing, travel assistance and access to a 24-hour concierge services.
Diagnostics	Vehicle systems status, maintenance reminders, online diagnostic analysis, engine check emails and the ability for the vehicle owner to contact his or her preferred service location to schedule maintenance.

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Infotainment	Customized and location-specific information, such as sports, weather, news, gas prices, traffic information, movie times, mobile commerce and social networks and the ability for the vehicle owner to synchronize data from an MP3 player, a personal digital assistant (PDA), cell phone or other similar device with the vehicle.
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HUGHES Telematics principal services will be offered either through a factory-installed hardware component, known as a telematics control unit or TCU, designed by HUGHES Telematics, or through interfacing with compatible third-party hardware installed in existing vehicles. In either case, HUGHES Telematics solution serves as the communications hub in the vehicle, enabling the vehicle and its occupants to remain wirelessly connected to a host of services. HUGHES Telematics factory-installed hardware solution incorporates a flexible architecture that facilitates remote programming in support of both planned and future service offerings.

HUGHES Telematics is the only telematics service provider that is not owned by an automaker offering to manage an end-to-end telematics solution in the automotive industry. We believe that this approach (i.e., supporting the entire telematics value chain) differentiates HUGHES Telematics from other telematics service providers by giving

HUGHES Telematics greater flexibility to deliver the combination of services that a given automaker desires to offer its customer base and allowing HUGHES Telematics to better manage the ongoing cost of delivering the solution. By managing these challenges in partnership with the automaker, HUGHES Telematics frees the automaker to focus on its core business designing and selling automobiles rather than managing a complicated and cutting-edge consumer electronics solution. The value proposition to the automaker comes in many forms, including product differentiation via innovative consumer services and technology, connectivity to all vehicles, remote quality and diagnostic capabilities, and improved tools for better customer and vehicle management. Additionally, because of its ability to serve as a hardware and service provider as well as a manager of wireless carrier relationships, HUGHES Telematics believes that through its scale it can provide a lower cost structure for the automaker and reduce the timeframe for new service integration in the vehicle. The HUGHES Telematics architecture also allows the automaker to manage that portion of the solution it prefers to play a more direct role in delivering. Thus to the extent that an automaker desires to provide hardware or call center support, HUGHES Telematics systems are designed to permit such integration.

Networkcar

Through Networkcar, HUGHES Telematics currently provides fleet operators with a vehicle management solution that includes remote vehicle monitoring and other data services through aftermarket hardware purchased separately and installed on existing vehicles. HUGHES Telematics acquired Networkcar in August 2006 for approximately \$24.7 million in cash and an earn-out potential of an additional \$5.0 million if certain sales targets are met between 2008 and 2010. Networkcar provides a fleet management solution which includes an easy-to-use automatic vehicle location and remote vehicle diagnostics system and is targeted to the approximately 20 million local commercial fleet vehicles operating throughout North America. Networkcar's main product, Networkfleet, allows fleet managers to monitor driver performance for unauthorized/unsafe usage, as well as data such as current location, fuel consumption, mileage, emission compliance status, and actual driving speed through custom mapping and reporting. For the six months ended June 30, 2008 and the year ended December 31, 2007, Networkcar generated revenues of approximately \$13.0 million and \$20.4 million, respectively.

Industry

Introduction

Since the mid-1990s in the United States, consumer awareness and demand have grown dramatically for in-car safety and security applications, navigation systems, diagnostics capabilities and various forms of infotainment integration.

While a growing number of consumers now have or want these services, only approximately 4.8 million of the approximately 16.1 million cars and light trucks sold or leased in the United States market in 2007 were equipped with a telematics solution. With domestic automakers increasingly

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seeking value-added services to attract car buyers, in-vehicle telematics solutions have been moving from a premium service in limited luxury models to a standard feature found in many vehicles. Telematics Research Group (TRG) predicts that all luxury brands will offer telematics by 2010, with all non-luxury brands following by 2015. The number of global telematics users is expected to jump to over 169.4 million in 2012 from just 33.4 million in 2007, a compounded annual growth rate (CAGR) of 38%, according to TRG. The United States market, with an estimated 60% of the world's telematics users in 2007, is expected to grow at a CAGR of 31% as telematics technology and services become more widely available in vehicles sold in the United States. According to TRG, telematics subscribers in the United States are expected to more than double from 6.5 million in 2007 to 13.7 million in 2012.

Competitive Landscape

Telematics service providers compete directly for long-term telematics services relationships with automakers. Some of these solutions are embedded, or factory-installed, in the vehicle while others involve aftermarket products, such as personal navigation devices (PNDs). As a general rule, factory-installed solutions (such as that offered by HUGHES Telematics through its TCU) offer a wider range of services and far superior usability compared with non-factory-installed solutions and, therefore, greater potential value to the end user. Other parties, such as wireless phone and other handheld device providers, offer limited services and products that partially overlap with the services provided by telematics companies. HUGHES Telematics' unique competitive advantage relative to all of these competitors is the ability to offer a fully integrated solution providing for superior ease of use for the consumer. Having factory-installed devices in the vehicle also allows HUGHES Telematics the opportunity to take advantage of using the entire infrastructure (i.e., screens, audio, controls, battery, antennas, etc) of the vehicle to further enhance the robustness and ease of use of the services.

Telematics Service Providers

Telematics service providers in the United States include OnStar, ATX Group and Cross-Country. Of these telematics service providers, OnStar, a wholly-owned subsidiary of General Motors, is the most well-known telematics services provider in the United States, surpassing 5 million subscribers in 2007. OnStar's services are marketed to General Motors' vehicles. OnStar focuses its service offerings around safety and security applications, including roadside assistance, emergency help following an airbag deployment and stolen vehicle tracking. OnStar has also introduced additional services, such as remote vehicle diagnostics and turn-by-turn navigation.

Although OnStar offers similar services to HUGHES Telematics, it largely offers its services only to owners and lessors of vehicles sold by General Motors and therefore does not compete directly with HUGHES Telematics for telematics services contracts from other automakers. Consequently, management views OnStar's recent success as supportive of the broader telematics market. OnStar's success has increased consumer awareness and appreciation of telematics services, and illustrates the consumer's willingness to pay monthly subscription fees for the services provided. Additionally, General Motors has been vocal about the internal benefits OnStar provides the General Motors engineering teams, resulting in significant annual savings, and thereby encouraging other automakers to consider adding telematics capabilities to their vehicles. At this juncture, OnStar's advertising support for its solutions has produced almost 100% recognition among U.S. new car buyers of the OnStar brand.

ATX Group currently provides services to BMW, Mercedes-Benz, PSA Peugeot Citroen and Rolls-Royce Motor Cars. Mercedes-Benz has terminated its contract with ATX Group, effective November 2009. Starting in November 2009, HUGHES Telematics will become the provider to all new Mercedes-Benz vehicles manufactured for the United States market and Mercedes-Benz's provider of choice for all legacy telematics customers. HUGHES Telematics' major competitors for aftermarket telematics services are @Road, WebTech and Telogis.

Aftermarket Fleet Telematics Service Providers

There are over 20 aftermarket telematics suppliers that provide GPS tracking capabilities for fleets of vehicles. The market is segmented based on the type of fleet and the type of functionality required. These segments include, among others, long-haul trucking, service vehicles, municipalities, construction, school bus

and emergency service vehicles. The suppliers range from Qualcomm, which is a major supplier to long haul truck fleets, to numerous small suppliers with simple web applications and no intellectual property. Networkcar is one of the largest suppliers that serve the broad local fleet market which includes cars, light-duty trucks and heavy-duty trucks.

In the light-duty vehicle fleets, Networkcar is the only supplier with patented diagnostic capabilities in addition to vehicle location. With so many smaller suppliers with undifferentiated products, HUGHES Telematics and Networkcar anticipate that only a few will emerge as industry leaders.

Overlapping Services and/or Products

Various services and/or products overlap and consequently indirectly compete with telematics services. Such services and/or products include navigation systems, radio services, mobile communications, such as cellular telephones and PDAs, and providers of factory-installed, in-vehicle communications and entertainment systems.

Navigation Suppliers. Navigation systems, including factory-installed systems, which tend to be expensive, as well as mobile devices, are growing in popularity. Factory-installed systems, manufactured by tier-one automotive suppliers were available as an option or standard in approximately 69% of vehicles sold in North America in 2007. However, the high cost of such optional factory-installed systems has helped keep the adoption rate relatively low. According to TRG, factory-installed navigation systems were sold in approximately 1.7 million vehicles (11% of all vehicles) in 2007. Portable navigation devices are also widely used. According to TRG/iSuppli, approximately 12.3 million portable navigation devices were sold in North America in 2007. HUGHES Telematics' major competitors for factory-installed navigation systems will be Harman International, Alpine Electronics, Xanavi, Denso and Pioneer Electronics. HUGHES Telematics will also compete with providers of portable navigation devices such as Garmin, TomTom and Magellan.

Mobile Communications. Cellular telephones and PDAs are widely used and some of the services offered through these products compete with telematics services. For example, navigation is a service increasing available on a cellular telephones and PDAs on a subscription basis, as are certain location based infotainment services, such as Loopt, Buddy Beacon and Plazes.

Factory-Installed, In-Vehicle Communications and Entertainment Systems. HUGHES Telematics' major competitor for factory-installed, convenience and entertainment systems developed is Microsoft, which currently provides these systems to Ford vehicles, with an announced agreement to provide to Hyundai vehicles as well. These systems do not include an embedded communications capability and depend upon the consumer's cell phone being present in vehicle, powered on, with an appropriate data plan for providing connected services into the vehicle. Furthermore, both XM Satellite Radio and Sirius Satellite Radio deliver content to consumers through strategic relationships with automakers that may compete with our business.

Business Strategy

HUGHES Telematics' objective is to become the leading provider of standard, integrated telematics services to cars and light trucks around the world. It intends to achieve this goal through a four-part strategy:

Provide flexibility to automakers by offering to manage all components of a telematics solution

HUGHES Telematics is unique to the industry in that it is the only independent telematics services provider that offers to manage all aspects of a telematics solution. By offering to manage all elements of the telematics value chain, including the design, development, manufacturing, network operations, product integration, billing and customer contact, HUGHES Telematics is in a position to optimize an automaker's telematics solution and minimize costs by

providing the benefits of a flexible architecture, innovative solutions and scalable services. The involvement of HUGHES Telematics throughout the entire telematics value chain will allow it to meet the needs of automakers who desire an entire end-to-end telematics solution and those automakers with compatible third party hardware who desire more limited telematics services.

For automakers seeking an end-to-end solution, HUGHES Telematics has committed, in regard to its TCU, to maintaining a flexible architecture with a short product update cycle that is operating-system and wireless-technology independent, thereby mitigating the risks of hardware and network obsolescence. The TCU design incorporates existing and planned cellular and wireless broadband pipes to the vehicle, integration

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of satellite radio to support a new category of services and, when available, two-way hybrid satellite/terrestrial and 4G technology (LTE and/or WiMax) connectivity for true nationwide communications.

HUGHES Telematics has designed and built a state-of-the art TCU for introduction in model year 2010 vehicles to be produced in 2009. HUGHES Telematics anticipates introducing new generations of hardware with enhanced communications and processing functionality at regular intervals. This continuous product evolution stands in contrast to existing telematics products that have remained largely unchanged in functionality since their introduction in the mid-1990s.

For automakers seeking only a telematics service provider to provide service to compatible third party hardware installed in existing vehicles, HUGHES Telematics involvement in the full telematics chain will allow it to formulate innovative approaches to providing services aimed at reducing automaker cost and increasing consumer satisfaction.

Furthermore, HUGHES Telematics low marginal cost of servicing additional subscribers when compared to telematics companies or in-house automaker telematics units with fewer vehicles on their network will further enable it to reduce costs for automotive manufacturers.

Develop additional relationships with automakers

HUGHES Telematics goal is to be the independent telematics services provider of choice to the automotive industry.

Thus, HUGHES Telematics is seeking to develop relationships with a large number of automakers. Additional relationships, if established, will likely result in HUGHES Telematics success not being tied to any single automaker.

HUGHES Telematics is exploring opportunities with all automakers serving the United States market, other than General Motors. HUGHES Telematics believes that its industry experience, innovative service and product offering, and flexible approach to service offerings, combined with its independence from automaker ownership, provides a compelling competitive advantage in securing these relationships.

By making HUGHES Telematics services and product offerings standard in all vehicles produced, an automaker creates a platform that supports a broad opportunity for value creation among numerous stakeholders. HUGHES Telematics and the third parties with whom it has a strategic relationship, who are expected to develop applications for HUGHES Telematics services and product offerings, can rely on the standard HUGHES Telematics services and product to know that HUGHES Telematics services and the two-way communications channel is available across all vehicle lines.

For vehicles in which HUGHES Telematics TCU is standard, the automaker's engineers can integrate other vehicle modules, such as Bluetooth and satellite radio, into the TCU, creating tremendous savings opportunities as redundant supporting components become unnecessary. Further, the platform is expected to be able to be used as a conduit for

remotely upgrading or patching software in vehicles both prior to leaving the factory as well as once the vehicle has been sold, an innovative capability that provides material economic benefits to the automakers, their dealers and the vehicle owners, helping automakers avoid costly recalls.

Develop relationships with industry leaders to offer innovative content and services and build and diversify revenue base

HUGHES Telematics is working to enable a community of compelling content offerings and applications that will enhance the vehicle ownership experience. By establishing standard connectivity with every vehicle, third-party services including mobile e-commerce, data applications, location-based services and dealer applications will open up multiple revenue opportunities. HUGHES Telematics envisions that a network of market-leaders with whom it has strategic relationships will adapt existing applications and offerings for the HUGHES Telematics platform. HUGHES Telematics is in discussion with numerous leading companies in the financial services, insurance, vehicle security and recovery, real estate, Internet search, wireless communications, satellite broadcasting and vehicle navigation sectors to promote the availability of such content.

Fleet management services strategy

HUGHES Telematics expects Networkcar to experience significant growth over the next few years driven primarily by (i) increased adoption by fleet operators looking to more effectively manage maintenance, assess vehicle performance and operational efficiency, and reduce costs and (ii) distribution arrangements with the

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large fleet management service providers, including Gelco Corporation, d/b/a GE Fleet Services, PHH Vehicle Management Services, LLC d/b/a PHH Arval, Automotive Rentals, Inc., and other value added resellers, including Wright Express Financial Services Corporation, the largest provider of fleet fueling card programs. These partners provide Networkcar with access to more than two million fleet vehicles without the need for significant investments in sales and marketing resources. Further, as Networkcar continues to build its subscriber base, HUGHES Telematics expects that a larger percentage of Networkcar's revenues will be generated from the recurring monthly service subscriptions.

Services

HUGHES Telematics plans to offer a comprehensive suite of service applications that will allow HUGHES Telematics and third parties with which it has strategic relationships to achieve market differentiations. HUGHES Telematics plans to offer services to end-user consumers through its consumer services offering and to fleet operators, automakers, dealers, the insurance industry, location-based advertisers and users of traffic probe data through its enterprise services offerings.

Consumer Service Offerings

HUGHES Telematics intends to offer five categories of consumer service offerings: safety and security, navigation, convenience, diagnostics and infotainment. HUGHES Telematics will launch its initial consumer service offering in mid-2009 with safety and security applications, including automatic crash notification, emergency calling, stolen vehicle location assistance and remote door unlock/lock as the core service set. The other consumer services are being actively developed by HUGHES Telematics or its strategic partners and are expected to launch 12 to 24 months after

the launch of the initial consumer service.

Safety and Security. HUGHES Telematics products will be anchored by traditional safety and security features, including automatic crash notification, emergency calling, stolen vehicle location assistance, roadside assistance, tripped alarm notification, emergency messaging and emergency management.

Through an emergency call relay center operated by its strategic partner, Intrado Inc., HUGHES Telematics expects to utilize certified emergency response specialists that are Association of Public-Safety Communications Officials and National Emergency Number Association certified and have direct public safety experience as firefighters, emergency medical technicians or police officers. Through its exclusive relationship with Intrado, HUGHES Telematics emergency call relay centers will use the most accurate and up-to-date Public Safety Answering Point location data and customer calls will be prioritized within the 9-1-1 system at a high level.

Navigation. HUGHES Telematics expects to offer a multi-tiered navigation system which functions using GPS and dead reckoning technologies and that can be standard on every vehicle line. HUGHES Telematics plans to leverage its vehicle connectivity to offer unique combinations of off board server-based and vehicle-based services, including the integration of real-time traffic data, a comprehensive list of up-to-date points of interest, dynamic maps and scenic descriptions. To couple with traditional navigation features such as turn-by-turn directions, HUGHES Telematics envisions creating several personalized navigation features to enhance the customer navigation experience such as geo-tagging and preferred daily routes. Users of HUGHES Telematics navigation service are expected to have access to various techniques to input their destination, including voice recognition and use of HUGHES Telematics and other third parties web portals for sending directions into the vehicle.

Convenience. HUGHES Telematics convenience services are being designed to provide the vehicle owner an enhanced ownership experience and assistance in interacting with his or her vehicle. These services are expected to include conversational voice recognition, personal calling using the embedded cellular phone, Bluetooth enabled hands-free calling, hands-free audible e-mail, family locate/geo-fencing and access to a 24-hour concierge services.

Diagnostics. HUGHES Telematics diagnostics services are planned to allow the vehicle owner to manage the maintenance and care of the vehicle proactively, saving time and money in the future. These services include systematic communications regarding status of vehicle systems, maintenance reminders, recall notifications, interactive user manuals, online diagnostic analysis, engine check emails and the ability for the vehicle owner to contact his or her preferred service location to schedule maintenance. In addition, HUGHES

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Telematics is working with regulators to develop a remote emissions program that would continuously check emissions metrics and notify the vehicle owner if the vehicle is not compliant, improving not only the health of the vehicle but also the environment overall. United States Environmental Protection Agency and Department of Energy figures indicate that as many as 10% of vehicles in the U.S. are out of compliance with emissions standards, suggesting that the potential benefits of achieving 100% compliance could result in annual saving of as much as 6 billion gallons of gasoline, or 300 million barrels of oil equivalent to reducing U.S. consumption by as much as 4%. At today's prices the cost savings exceed \$20 billion per year as well as eliminating over 10 million tons of greenhouse gasses and pollutants, up to 10% of today's North American pollution emissions. This service is offered on a limited basis today to Networkcar's fleet customers in California.

Infotainment. HUGHES Telematics plans to combine information and entertainment into a suite of services which provide access customized and location-specific information, such as sports, weather, news, gas price, traffic information, media commerce and social networking. Via Bluetooth, a USB port or HUGHES Telematics web portal,

HUGHES Telematics intends to allow a vehicle owner to synchronize data from an MP3 player, a PDA, cell phone or other similar device with the vehicle which allows for access to stored music, address books, calendars and email. Further, HUGHES Telematics has engineered the ability to incorporate a fully integrated satellite radio chipset in the TCU which enables low-cost penetration of satellite radio into every vehicle.

Enterprise Service Offerings

HUGHES Telematics currently expects to support enterprise offerings to six key categories of users: fleet operators, automakers, dealers, the insurance industry, location-based advertising and users of traffic probe data. Through its service commitments with current and potentially additional automakers, HUGHES Telematics expects to participate in all resulting revenue streams, in whole or in part.

Fleet Operators. Through Networkcar, HUGHES Telematics currently provides an aftermarket wireless fleet management solution, including an easy-to-use automatic vehicle location and remote vehicle diagnostics system. Networkcar targets the North American local fleet market, a market of approximately 20 million commercial vehicles that is largely composed of small fleets and is highly elastic. Networkcar's main product, Networkfleet, allows fleet managers to cost effectively monitor driver performance for unauthorized/unsafe usage, as well as data such as current location, fuel consumption, mileage, emission status, and actual driving speed through custom mapping and reporting. Once it begins factory installation of TCUs in 2009, HUGHES Telematics expects to increase its penetration of the local fleet market by leveraging Networkcar's brand and expertise to sell similar services which can be activated over the air without the need for installation of aftermarket hardware. For rental fleet applications that typically result in vehicles remaining in fleet service less than 12 months, the Networkfleet application can be activated over the air, and when the vehicle enters the consumer market, the TCU can be reprogrammed to support consumer applications.

Automakers. HUGHES Telematics believes that the value proposition to the automaker comes in many forms: product differentiation through innovative technology, connectivity to vehicles, remote quality and diagnostic capabilities and improved tools for better customer and vehicle management. HUGHES Telematics intends to work with its automaker partners to identify cost savings opportunities using real-time data collected from vehicles and by taking advantage of engineering synergies of integrating multiple components and functions into the TCU. The collection of real-time diagnostic information from vehicles is considered by automakers to provide valuable insight on the performance of numerous vehicle systems and parts allowing the automaker to improve the quality of its vehicles more efficiently than is possible today. Further, as the TCU will be interconnected with the vehicle's local area network that supports communication among other vehicle control units (CAN bus systems), HUGHES Telematics expects to be able to support an automaker's upgrade of vehicle software, avoiding costly recalls and without the consumer having to bring the vehicle into a dealership. HUGHES Telematics intends also to offer tools to maintain contact with the vehicle owner through its service offerings and web portal, which will help the automaker sustain its relationship with the customer following the lease or purchase of a vehicle.

Dealers. HUGHES Telematics intends to provide dealers with numerous revenue and cost savings opportunities. Using HUGHES Telematics' location tracking assistance, dealers will be able to track their

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vehicle inventory and guard against theft, thus reducing insurance costs. Real-time diagnostic information is expected to enable dealers to be proactive in contacting vehicle owners, subject to a vehicle owner's prior consent, regarding preventative maintenance before a more costly problem arises. Further, dealers are expected to be able to manage the schedule of their service bays more efficiently as issues can be diagnosed prior to the arrival of the vehicle. Early diagnosis of problems also allows for more efficient parts inventory management as items necessary for upcoming

maintenance requests can be ordered in advance. Also, similar to the automaker, dealers are expected to be able to leverage HUGHES Telematics' access to the customer and communicate with the vehicle owner via HUGHES Telematics' web portal.

Insurance Industry. The insurance industry has long considered usage-based or "pay as you drive" insurance as an area of promise. Today, several leading automotive insurance providers are developing products that offer dynamic rating as a function of the vehicle owner's driving behavior incorporating characteristics such as miles driven, speed, sudden starts and stops, time of day and location. HUGHES Telematics has held discussions with several automotive insurance companies regarding the development of a self-installed aftermarket product which these companies can leverage while they continue actively researching the feasibility of usage-based insurance in the United States market. To this end, HUGHES Telematics has contracted with a leading automotive insurance company to assess, develop, test and potentially produce software and hardware for a usage-based insurance program. Importantly though, the long-recognized key to the usage-based insurance business model is eliminating the installation and equipment cost. Because HUGHES Telematics is under contract to install its TCU as standard equipment in nearly all Chrysler and Mercedes-Benz vehicles produced for sale in the United States and is in discussion with other automakers, HUGHES Telematics believes it is well positioned as a natural long-term strategic partner for usage-based insurance services offered by the automotive insurance industry.

Location-Based Advertising. Through the vehicle's navigation system, the driver can search for businesses, products or services in close proximity to the vehicle's current location. HUGHES Telematics intends to form strategic relationships with an existing search engine provider to develop a paid advertising search model whereby businesses can target an already mobile consumer. HUGHES Telematics believes that point of interest searches from the vehicle should have a higher conversion rate than ordinary Internet searches. Point of interest searches should therefore command a premium over paid Internet search rates as a search from within a vehicle en route to a destination is more likely to result in an imminent purchase, as compared to mere browsing or research-focused activity from home. Other opportunities may be available for businesses to "push" advertisements or coupons to the vehicle based on vehicle owner preferences set on HUGHES Telematics' web portal.

Traffic Probe Data Users. HUGHES Telematics believes that, through Networkcar, it is currently one of the largest providers of real-time traffic probe data on the market today. Two of the leading traffic data aggregators currently purchase HUGHES Telematics' probe data as an input for their real-time and predictive traffic information products offered nationwide. As HUGHES Telematics' installed vehicle base grows, HUGHES Telematics expects to have the most accurate source and network of real-time GPS probe data on the market, greatly enhancing data collected via helicopters, government sensors or other secondary tools. HUGHES Telematics expects this data to be sold to third parties for their traffic products as well as be incorporated into its own navigation product.

Automaker Relationships

At present, nearly all automobile manufacturers selling vehicles in the United States are considering implementing, or have plans to implement, a telematics solution. The underlying factors driving this interest by automakers are emerging customer demand, the potential for product differentiation, and the awareness of numerous benefits to the automaker and its dealers in the form of cost savings and customer relationship tools providing increased value to their customers through connected services well beyond those offered in the market today. HUGHES Telematics believes that it is differentiating itself as the only telematics service provider that is not owned by an automaker that is offering to manage an end-to-end telematics solution in the industry. Chrysler and Mercedes-Benz have become the first two automakers to partner with HUGHES Telematics. HUGHES Telematics is exploring opportunities with all automaker serving the United States market, other than General Motors.

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HUGHES Telematics is exploring not only consumer-based subscription models similar to Chrysler and Mercedes-Benz, but also models involving prepayments by automakers for certain applications for multiple years of service for many of its vehicles sold in the United States. HUGHES Telematics believes that these automakers also recognize the additional benefits of improved access to their customers and the potential cost savings through the collection of real-time vehicle performance data.

Automaker Agreements

Telematics Services

Under the agreement between HUGHES Telematics and Chrysler, Chrysler will install HUGHES Telematics TCUs in one model line in model year 2010 (which will be deployed in the second half of calendar year 2009) and add TCUs in additional model lines each year in accordance with Chrysler's internal engineering plans until TCUs are installed in virtually every Chrysler, Dodge and Jeep vehicle produced for sale in the United States by model year 2013.

HUGHES Telematics will provide personal assistance safety services to all Chrysler vehicles equipped with HUGHES Telematics TCUs and subject to the consent of Chrysler, HUGHES Telematics will be able to provide additional approved services. HUGHES Telematics will be required to provide connected services to end-use consumers in accordance with specified standards and service levels. The agreement also allocates between HUGHES Telematics and Chrysler certain costs and expenses related to the provision of telematics services to end-use consumers.

Under the agreement between HUGHES Telematics and Mercedes-Benz, beginning in November 2009, HUGHES Telematics will provide telematics services to all new Mercedes-Benz vehicles sold or leased in the United States market. In addition, Mercedes-Benz is working with HUGHES Telematics to transition its paying subscribers to Mercedes-Benz's TeleAid service to HUGHES Telematics' service platform so that HUGHES Telematics will be the service provider for such vehicles starting in November 2009. HUGHES Telematics will also have the ability to sell services to owners of Mercedes-Benz vehicles with previously installed TCUs who do not presently subscribe to the TeleAid service. HUGHES Telematics will provide personal assistance safety services, remote door lock, electronic operator manuals, automatic alarm notification, direct voice connection to a preferred dealer, direct voice connection to Mercedes-Benz, automatic maintenance calls and premium services such as voice delivered traffic information, point of interest and destination downloads into navigation units, and concierge services. In vehicles containing HUGHES Telematics TCUs, HUGHES Telematics will also offer services such as remote trigger of diagnostic scans and remote trigger of maintenance computer readouts. Subject to the consent of Mercedes-Benz, HUGHES Telematics will also be able to provide additional approved services. HUGHES Telematics will be required to provide connected service to end-use consumers in accordance with specified standards and service levels. The agreement also allocates between HUGHES Telematics and Mercedes-Benz certain costs and expenses related to the provision of telematics services to end-use consumers.

Termination

HUGHES Telematics' agreement with Chrysler is scheduled to expire on June 16, 2015. The agreement with Mercedes-Benz is scheduled to expire on June 16, 2016. Under each of these agreements, the applicable automaker may terminate its agreement with HUGHES Telematics upon the substantial breach of any of HUGHES Telematics' material obligations, including the failure to satisfy certain customary automotive developmental milestones and to maintain certain minimum service level standards. While HUGHES Telematics has achieved all such milestones to date, including with respect to the design of the TCU, HUGHES Telematics still needs to complete process validation testing and other customary milestones for automotive suppliers, as well as delivering services at the designated level.

Management believes that the system development remains on schedule to allow it to meet the remaining

developmental milestones. The service level standards under the agreements relate primarily to limitations on how timely HUGHES Telematics call center agents answer calls from vehicles. As these service level standards are in line with service levels currently maintained by its call center partners, management believes that HUGHES Telematics will be able to meet or exceed such requirements.

Upon the expiration or termination of either contract, HUGHES Telematics will retain the ability to continue to provide telematics services to certain then current subscribers and may renew and enter into new subscription agreements with certain other end-use consumers.

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Subscriptions

Under HUGHES Telematics agreements with Chrysler and Mercedes-Benz, HUGHES Telematics is responsible for entering into subscription agreements with, and the billing of, vehicle owners. HUGHES Telematics is required to institute reasonable or specified protocols, depending on the agreement, in regards to the telematics services it provides end-use consumers. HUGHES Telematics agreements with Chrysler and Mercedes-Benz, additionally allocate the responsibilities for setting, and the distribution of proceeds from, end-use consumer subscriptions fees between the parties to each agreement.

HUGHES Telematics TCU and Other Components

Under HUGHES Telematics agreements with Chrysler and Mercedes-Benz, the responsibility for costs related to or associated with the development, research, engineering, manufacture and supply of HUGHES Telematics TCUs and other components is allocated between the parties to each agreement. The agreements also place obligations on HUGHES Telematics regarding the design of its TCUs and other component, and specify the terms and conditions of HUGHES Telematics provision of its TCUs and other components to each automaker.

Vehicle and Subscriber Data

Under HUGHES Telematics agreements with Chrysler and Mercedes-Benz, the obligations to provide, and the rights to receive and use, vehicle and subscriber data are allocated between the parties to each agreement. Each agreement also provides for end-use consumer consent for the transmission of vehicle and subscriber data between the parties to each agreement and from these parties to third parties.

Intellectual Property, Trademarks, Indemnification Rights, Required Insurance and Audit Rights

Under HUGHES Telematics agreements with Chrysler and Mercedes-Benz, the ownership of intellectual property developed during the terms of the agreements is allocated between the respective parties and each party agrees to respect the trademarks of the other party to each agreement. The agreements also impose specific indemnification obligations between the parties, require HUGHES Telematics to maintain certain insurance policies and provide each respective automaker with certain audit rights.

Operational Support Systems

HUGHES Telematics operating systems will consist of (i) a redundant pair of network operation centers, containing the hardware and associated applications, telephony and data network connections necessary to interface with both the vehicle hardware via the wireless carrier network and the appropriate call centers, and (ii) a command center/disaster

recovery site, where the call centers will be monitored and disaster recovery will be available. Applications and infrastructure are being optimized, as there were no legacy systems or infrastructure with which to contend. An integrated suite of enterprise class applications and proprietary solutions have been selected and are being configured to provide a robust, customizable platform to allow automakers the ability to create and tailor service offerings that enhance and extend their brands. Systems are being built and configured using open standards to offer additional flexibility while contributing to overall stability. Due to the public safety nature of many of HUGHES Telematics offerings, high availability of its systems is a primary requirement. Redundancy, fail-over and disaster recovery has been considered as each element (hardware, software and telecommunication) was designed and is being built-out.

Research and Development

For the six months ended June 30, 2008 and for the fiscal year ending December 31, 2007, HUGHES Telematics incurred expenses of approximately \$15.2 million and \$23.5 million, respectively, on research and development. This research and development related primarily to the development of HUGHES Telematics factory-installed, end-to-end telematics solution, including the development of the Network Operation Control Center, the TCU and other back office systems. HUGHES Telematics expects resources devoted to research and development to increase as system development activities continue through the launch of its automaker service initiative in mid-2009.

Intellectual Property

Intellectual Property Portfolio

HUGHES Telematics has established a strong intellectual property portfolio of patents and pending patents addressing a broad range of services. Key patents in the portfolio cover both the methods and

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processes of wireless communications from the vehicle for diagnostics, emissions performance and fuel economy (for factory installations), as well as technology that connects to the vehicle's on-board diagnostic connector (for aftermarket installations) to accomplish the same. HUGHES Telematics believes that portions of the portfolio in both the vehicle diagnostics and emissions areas are particularly strong and that those patents may be a meaningful source of revenue, a barrier to entry for other service providers in these areas or provide cross-licensing opportunities with competitors. HUGHES Telematics currently holds 15 patents and has 32 patents pending. HUGHES Telematics may be required to protect its intellectual property rights from the unauthorized use by others or may have these rights challenged, invalidated or circumvented.

Approach to Privacy

HUGHES Telematics' approach to privacy is critical to its ability to gain customer acceptance of its services, while also enabling HUGHES Telematics to monetize certain of the data that is collected. HUGHES Telematics' customers, and in particular the consumers and automakers, will be sensitive to certain types of information that the system will be able to access. HUGHES Telematics has retained outside privacy experts to ensure that privacy policies provide its consumers and strategic relationships with the highest level of confidence that customer privacy is maintained, while also permitting the customer, HUGHES Telematics and HUGHES Telematics' strategic partners to monetize the value of such a data stream. As part of the subscription process, HUGHES Telematics intends to require consumers to provide it and its automakers with broad rights to data, other than customer personally identifiable information (CPII), in order to subscribe. The processes are being designed to ensure that sensitive information such as any CPII is highly

secure, separate and cannot be associated with the vehicle data that is collected, unless a specific and separate authorization has been given by the consumer. Similarly, many types of quality and safety information relating to vehicles, to which automakers are acutely sensitive, will similarly be accorded the highest level of security, and HUGHES Telematics expects to be a conduit for providing such data to automakers, rather than collecting it directly, unless otherwise requested specifically by the automaker.

Relationship with HUGHES Network Systems

In July 2006, HUGHES Network Systems, LLC (HNS), a wholly-owned subsidiary of Hughes Communications, Inc. (HCI) and an affiliate of Apollo, granted a limited license to HUGHES Telematics allowing HUGHES Telematics to use the HUGHES trademark. The license is limited in that HUGHES Telematics may use the HUGHES trademark only in connection with its business of automotive telematics and only in combination with the Telematics name. As partial consideration for the license, the agreement provides that HNS will be HUGHES Telematics preferred engineering services provider. The license is royalty-free, except that HUGHES Telematics has agreed to commence paying a royalty to HNS in the event HUGHES Telematics no longer has a commercial or affiliated relationship with HNS. As contemplated by the license terms and while the definitive agreement governing the relationship was being negotiated, HNS provided engineering development services to HUGHES Telematics pursuant to an Authorization to Proceed. In January 2008, HUGHES Telematics and HNS executed a definitive agreement pursuant to which HNS is continuing to provide HUGHES Telematics with engineering development and manufacturing services. For the six months ended June 30, 2008 and 2007, HNS provided approximately \$12.7 million and \$8.4 million of services, respectively, to HUGHES Telematics. As of June 30, 2008 and December 31, 2007, HUGHES Telematics had an outstanding balance, not including the equipment financing discussed below, of approximately \$6.5 million and \$4.9 million, respectively, payable to HNS.

In June 2008, HUGHES Telematics and HNS entered into an arrangement pursuant to which HNS purchased, on behalf of HUGHES Telematics, certain production equipment for an aggregate amount of approximately \$2.0 million.

Starting in June 2009, HUGHES Telematics will pay HNS at a rate of \$4.94 per telematics hardware device manufactured using the equipment, provided that (i) HUGHES Telematics will pay HNS a minimum of \$0.2 million under this arrangement by December 31, 2009 and (ii) HUGHES Telematics shall have paid HNS the balance of the amount owed under this arrangement plus all accrued interest by December 31, 2010. Interest will accrue on the outstanding balance at a rate of 11.00% per annum. HUGHES Telematics may pay the balance of the amount owed plus accrued interest in full at any time, and at the time the balance is paid in full, HUGHES Telematics will have the option to purchase the production test equipment from HNS for \$1.00. As of June 30, 2008, HUGHES Telematics had an outstanding balance related to the equipment financing of approximately \$2.0 million.