UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2018

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 001-33963

Iridium Communications Inc.

(Exact name of registrant as specified in its charter)

DELAWARE	**26-1344998**
(State of incorporation)	**(I.R.S. Employer Identification No.)**
1750 Tysons Boulevard, Suite 1400, McLean, Virginia	**22102**
(Address of principal executive offices)	**(Zip code)**

703-287-7400
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒		Accelerated filer	☐
Non-accelerated filer	☐	(Do not check if a smaller reporting company)	Smaller reporting company	☐
Emerging growth company	☐			

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's common stock, par value $0.001 per share, outstanding as of July 24, 2018 was 110,752,560.

IRIDIUM COMMUNICATIONS INC.

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PART I.
Iridium Communications Inc.
Condensed Consolidated Balance Sheets
(In thousands, except per share data)

	June 30, 2018 (Unaudited)	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	$ 176,105	$ 285,873
Marketable securities	199,839	11,753
Accounts receivable, net	74,719	68,031
Inventory	20,212	20,068
Prepaid expenses and other current assets	25,048	25,347
Total current assets	495,923	411,072
Property and equipment, net	3,334,758	3,210,162
Restricted cash and cash equivalents	189,797	102,384
Intangible assets, net	49,250	50,019
Other assets	10,153	8,414
Total assets	$ 4,079,881	$ 3,782,051
Liabilities and stockholders' equity		
Current liabilities:		
Short-term credit facility	$ 108,000	$ 85,500
Accounts payable	25,725	43,100
Accrued expenses and other current liabilities	40,503	32,215
Interest payable	31,775	15,021
Deferred revenue	21,692	38,390
Total current liabilities	227,695	214,226
Long-term credit facility, net	1,571,665	1,618,055
Long-term senior unsecured notes, net	350,450	—
Deferred income tax liabilities, net	260,643	246,170
Deferred revenue, net of current portion	58,565	47,612
Other long-term liabilities	4,150	59,519
Total liabilities	2,473,168	2,185,582
Commitments and contingencies		
Stockholders' equity:		
Series A preferred stock, $0.0001 par value, 1,000 shares authorized and issued; zero and 1,000 shares outstanding at June 30, 2018 and December 31, 2017	—	—
Series B preferred stock, $0.0001 par value, 500 shares authorized, issued and outstanding	—	—
Common stock, $0.001 par value, 300,000 shares authorized, 110,750 and 98,203 shares issued and outstanding at June 30, 2018 and December 31, 2017	111	98
Additional paid-in capital	1,091,116	1,081,373
Retained earnings	522,150	518,794
Accumulated other comprehensive loss, net of tax	(6,664)	(3,796)
Total stockholders' equity	1,606,713	1,596,469
Total liabilities and stockholders' equity	$ 4,079,881	$ 3,782,051

See notes to unaudited condensed consolidated financial statements.

Iridium Communications Inc.
Condensed Consolidated Statements of Operations and Comprehensive Income
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenue:				
Services	$ 103,966	$ 86,623	$ 193,708	$ 168,396
Subscriber equipment	25,865	18,844	51,647	35,958
Engineering and support services	5,100	6,137	8,724	11,676
Total revenue	134,931	111,604	254,079	216,030
Operating expenses:				
Cost of services (exclusive of depreciation and amortization)	22,644	21,368	41,596	38,326
Cost of subscriber equipment	15,619	10,868	30,833	20,972
Research and development	5,566	3,014	10,149	6,241
Selling, general and administrative	24,266	20,411	46,761	39,628
Depreciation and amortization	50,491	20,201	88,956	33,708
Total operating expenses	118,586	75,862	218,295	138,875
Gain on Boeing transaction	—	—	—	14,189
Operating income	16,345	35,742	35,784	91,344
Other income (expense):				
Interest income (expense), net	(12,985)	832	(17,150)	1,665
Other income (expense), net	65	(56)	102	(143)
Total other income (expense), net	(12,920)	776	(17,048)	1,522
Income before income taxes	3,425	36,518	18,736	92,866
Income tax expense	(7,843)	(11,740)	(11,682)	(30,140)
Net income (loss)	(4,418)	24,778	7,054	62,726
Series A preferred stock dividends, declared and paid excluding cumulative dividends	—	—	1,750	1,750
Series B preferred stock dividends, declared and paid excluding cumulative dividends	—	—	2,109	2,109
Series A preferred stock dividends, undeclared	—	1,750	—	1,750
Series B preferred stock dividends, undeclared	2,109	2,109	2,109	2,109
Net income (loss) attributable to common stockholders	$ (6,527)	$ 20,919	$ 1,086	$ 55,008
Weighted average shares outstanding - basic, excluding Series A preferred stockholders through the conversion date of March 20, 2018	111,111	97,989	105,927	97,424
Weighted average shares outstanding - diluted	111,111	126,943	109,405	126,659
Net income (loss) attributable to common stockholders per share - basic	$ (0.06)	$ 0.21	$ 0.01	$ 0.56
Net income (loss) attributable to common stockholders per share - diluted	$ (0.06)	$ 0.20	$ 0.01	$ 0.49
Comprehensive income (loss):				
Net income (loss)	$ (4,418)	$ 24,778	$ 7,054	$ 62,726
Foreign currency translation adjustments, net of tax	(3,003)	(1,448)	(2,911)	799
Unrealized gain (loss) on marketable securities, net of tax	55	(3)	42	(7)
Comprehensive income (loss)	$ (7,366)	$ 23,327	$ 4,185	$ 63,518

See notes to unaudited condensed consolidated financial statements.

Iridium Communications Inc.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2018	**2017**
Cash flows from operating activities:		
Net cash provided by operating activities	$ 141,088	$ 119,866
Cash flows from investing activities:		
Capital expenditures	(215,031)	(168,172)
Purchases of marketable securities	(201,293)	—
Sales and maturities of marketable securities	13,266	17,901
Net cash used in investing activities	(403,058)	(150,271)
Cash flows from financing activities:		
Borrowings under the Credit Facility	—	22,207
Payments on the Credit Facility	(26,131)	—
Borrowings under the senior unsecured notes	360,000	—
Extinguishment of the Thales bills of exchange	(59,936)	—
Payment of deferred financing fees	(20,440)	(1,533)
Proceeds from exercise of stock options	2,996	1,572
Tax payment upon settlement of stock awards	(1,512)	(1,753)
Payment of Series A preferred stock dividends	(7,000)	(1,750)
Payment of Series B preferred stock dividends	(8,427)	(2,109)
Net cash provided by financing activities	239,550	16,634
Effect of exchange rate changes on cash and cash equivalents	65	(71)
Net decrease in cash and cash equivalents	(22,355)	(13,842)
Cash, cash equivalents, and restricted cash, beginning of period	388,257	484,306
Cash, cash equivalents, and restricted cash, end of period	$ 365,902	$ 470,464
Supplemental cash flow information:		
Interest paid	$ 37,529	$ 42,458
Income taxes paid, net	$ 501	$ 1,312
Supplemental disclosure of non-cash investing activities:		
Property and equipment received but not yet paid for	$ 20,574	$ 152,722
Interest capitalized but not yet paid	$ 17,138	$ 14,272
Capitalized amortization of deferred financing costs	$ 10,983	$ 10,600
Capitalized stock-based compensation	$ 1,131	$ 1,561
Cost basis investment for settlement of accounts receivable	$ 1,761	$ —

See notes to unaudited condensed consolidated financial statements.

1. Basis of Presentation and Principles of Consolidation

Iridium Communications Inc. (the "Company") has prepared its condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The accompanying condensed consolidated financial statements include the accounts of (i) the Company, (ii) its wholly owned subsidiaries, and (iii) all less than wholly owned subsidiaries that the Company controls. All material intercompany transactions and balances have been eliminated.

In the opinion of management, the condensed consolidated financial statements reflect all normal recurring adjustments that the Company considers necessary for the fair presentation of its results of operations and cash flows for the interim periods covered, and of the financial position of the Company at the date of the interim condensed consolidated balance sheet. The operating results for interim periods are not necessarily indicative of the operating results for the entire year. Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to instructions, rules and regulations prescribed by the U.S. Securities and Exchange Commission ("SEC"). These condensed consolidated financial statements should be read in conjunction with the audited condensed consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, as filed with the SEC on February 22, 2018.

2. Significant Accounting Policies

Adopted Accounting Pronouncements

Effective January 1, 2018, the Company adopted Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers ("ASU 2014-09"), that supersedes nearly all existing revenue recognition guidance under generally accepted accounting principles in the United States ("U.S. GAAP"). See Note 9 for more detail on the Company's accounting policy with respect to revenue recognition.

Effective January 1, 2018, the Company adopted ASU No. 2016-15, Statement of Cash Flows (Topic 320): Classification of Certain Cash Receipts and Cash Payments ("ASU 2016-15"). ASU 2016-15 reduces the existing diversity in practice in financial reporting across all industries by clarifying certain existing principles, including providing additional guidance on how and what an entity should consider in determining the classification of certain cash flows. The adoption of ASU 2016-15 did not have a material effect on the Company's consolidated financial statements.

Accounting Pronouncements Not Yet Adopted

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-02, Leases ("ASU 2016-02"). ASU 2016-02 requires lessees to record most leases on their balance sheets but recognize expenses on their income statements in a manner similar to current accounting. The Company intends to apply the new guidance on the effective date of January 1, 2019. Reporting organizations are required to use a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements. The Company established a project team in order to analyze the effect of the standard on its leases by reviewing its current accounting policies to identify potential differences which would result from applying the requirements of the new standard to its leases. The Company currently anticipates utilizing the practical expedient to address all current operating leases for which it is the lessor. The Company is currently evaluating the effect ASU 2016-02 may have on its future condensed consolidated financial statements and related disclosures, but a lease liability and related right-of-use asset will be recognized for operating lease arrangements where the Company is the lessee.

Fair Value Measurements

The Company evaluates assets and liabilities subject to fair value measurements on a recurring and non-recurring basis to determine the appropriate level to classify them for each reporting period. This determination requires significant judgments to be made by management of the Company. The instruments identified as subject to fair value measurements on a recurring basis are cash and cash equivalents, marketable securities, prepaid expenses and other current assets, accounts receivable, accounts payable and accrued expenses and other current liabilities. Fair value is the price that would be received from the sale of an asset or paid to transfer a liability assuming an orderly transaction in the most advantageous market at the measurement date. U.S. GAAP establishes a hierarchical disclosure framework which prioritizes and ranks the level of observability of inputs used in measuring fair value. The fair value hierarchy consists of the following tiers:

- Level 1, defined as observable inputs such as quoted prices in active markets for identical assets or liabilities;
- Level 2, defined as observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The carrying values of short-term financial instruments (primarily cash and cash equivalents, prepaid expenses and other current assets, accounts receivable, accounts payable, and accrued expenses and other current liabilities) approximate their fair values because of their short-term nature. The fair value of the Company's investments in money market funds approximates its carrying value; such instruments are classified as Level 1 and are included in cash and cash equivalents on the accompanying condensed consolidated balance sheets.

The fair value of the Company's investments in commercial paper and short-term U.S. agency securities with original maturities of less than ninety days approximates their carrying value; such instruments are classified as Level 2 and are included in cash and cash equivalents on the accompanying condensed consolidated balance sheets. The fair value of the Company's investments in fixed-income debt securities and commercial paper with original maturities of greater than ninety days are obtained using similar investments traded on active securities exchanges and are classified as Level 2. For fixed income securities that do not have quoted prices in active markets, the Company uses third-party vendors to price its debt securities resulting in classification as Level 2. All fixed-income securities are included in marketable securities on the accompanying condensed consolidated balance sheets.

3. Cash and Cash Equivalents, Restricted Cash and Marketable Securities

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of ninety days or less to be cash equivalents. These investments, along with cash deposited in institutional money market funds, commercial paper, regular interest bearing and non-interest bearing depository accounts, are classified as cash and cash equivalents in the accompanying condensed consolidated balance sheet. The following table summarizes the Company's cash and cash equivalents:

	June 30, 2018	December 31, 2017	Recurring Fair Value Measurement
	(in thousands)		
Cash and cash equivalents:			
Cash	$ 20,112	$ 24,092	
Money market funds	142,684	251,950	Level 1
Commercial paper	13,309	9,831	Level 2
Total cash and cash equivalents	$ 176,105	$ 285,873	

Restricted Cash and Cash Equivalents

The Company is required to maintain a minimum cash reserve within a debt service reserve account ("DSRA") for debt service related to its $1.8 billion credit facility (as amended to date, the "Credit Facility") (see Note 5). As of June 30, 2018 and December 31, 2017, the Company's restricted cash and cash equivalents balance, which includes a minimum cash reserve for debt service related to the Credit Facility and the interest earned on these amounts, was $189.7 million and $102.3 million, respectively.

Marketable Securities

Marketable securities consist of fixed-income debt securities and commercial paper with an original maturity in excess of ninety days. These investments are classified as available-for-sale and are included in marketable securities within current assets in the accompanying condensed consolidated balance sheets. All investments are carried at fair value. Unrealized gains and losses, net of taxes, are reported as a component of other comprehensive income or loss. The specific identification method is used to determine the cost basis of the marketable securities sold. There were no material realized gains or losses on the sale of marketable securities for the six months ended June 30, 2018 and 2017. The Company regularly monitors and evaluates the fair value of its investments to identify other-than-temporary declines in value. The Company determined that any decline in fair value of its investments is temporary at June 30, 2018 as the Company does not intend to sell these securities, and it is not likely that the Company will be required to sell the securities, before the recovery of their amortized cost basis.

The following tables summarize the Company's marketable securities:

	June 30, 2018				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Recurring Fair Value Measurement
	(in thousands)				
Fixed-income debt securities	$ 15,679	$ 19	$ (5)	$ 15,693	Level 2
Commercial paper	6,440	—	—	6,440	Level 2
U.S. treasuries	177,679	30	(3)	177,706	Level 2
Total marketable securities	$ 199,798	$ 49	$ (8)	$ 199,839	

	December 31, 2017				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Recurring Fair Value Measurement
	(in thousands)				
Fixed-income debt securities	$ 9,520	$ 2	$ (15)	$ 9,507	Level 2
U.S. treasuries	2,249	—	(3)	2,246	Level 2
Total marketable securities	$ 11,769	$ 2	$ (18)	$ 11,753	

The following table presents the contractual maturities of the Company's marketable securities:

	June 30, 2018		December 31, 2017	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(in thousands)			
Mature within one year	$ 199,798	$ 199,839	$ 11,519	$ 11,504
Mature after one year and within three years	—	—	250	249
Total	$ 199,798	$ 199,839	$ 11,769	$ 11,753

4. Commitments and Contingencies

Commitments

Thales

In June 2010, the Company executed a primarily fixed-price full scale development contract ("FSD") with Thales Alenia Space France ("Thales") for the design and build of its Iridium® NEXT satellites. The total price under the FSD is $2.3 billion, and the Company expects payment obligations under the FSD to continue through 2018. As of June 30, 2018, the Company had made aggregate payments of $2.1 billion to Thales, of which $1.5 billion were financed from borrowings under the Credit Facility, and were capitalized as construction in progress within property and equipment, net in the accompanying condensed consolidated balance sheet.

On March 9, 2018, the Company and Thales entered into Amendment 32 to the FSD, pursuant to which the Company and Thales unwound the changes made in Amendment 29, which allowed for the deferral of certain milestone payments totaling $100.0 million through the issuance of bills of exchange. Amendment 32 became effective on March 21, 2018 upon the receipt of proceeds from a senior unsecured notes offering (see Note 5). The Company utilized a portion of the proceeds from the

senior unsecured notes to prepay in full the $59.9 million of amounts due under outstanding bills of exchange and will not utilize any new bills of exchange to defer future milestones under the FSD. In connection with the prepayment of the Thales bills of exchange, for the three and six months ended June 30, 2018, the Company recorded a $4.0 million loss on extinguishment of debt, included within interest expense, representing premiums paid and the write-off of unamortized debt issuance costs. The Company had no loss on extinguishment of debt recorded for the three and six months ended June 30, 2017.

SpaceX

In March 2010, the Company entered into an agreement with Space Exploration Technologies Corp. ("SpaceX") to secure SpaceX as the primary launch services provider for Iridium NEXT (as amended to date, the "SpaceX Agreement"). The total price under the SpaceX Agreement for seven launches and a reflight option in the event of a launch failure is $453.1 million. The SpaceX Falcon 9 rocket is configured to carry ten Iridium NEXT satellites to orbit for each of these seven launches. In November 2016, the Company entered into an agreement for an eighth launch with SpaceX to launch five additional satellites and share the launch with GFZ German Research Centre for Geosciences ("GFZ"). This launch took place in May 2018. The total price under the SpaceX Agreement for the eighth launch was $61.9 million. GFZ paid Iridium $29.8 million to include in the launch NASA's two Gravity Recovery and Climate Experiment Follow-On satellites. As of June 30, 2018, the Company had made aggregate payments of $486.4 million to SpaceX, which were capitalized as construction in progress within property and equipment, net in the accompanying condensed consolidated balance sheet.

Iridium NEXT Launch and In-Orbit Insurance

As further discussed below, the Company is required, pursuant to its Credit Facility, to obtain insurance covering the launch and first 12 months of operation of the Iridium NEXT satellites. The launch and in-orbit insurance the Company has obtained contains elements, consistent with the terms of the Credit Facility, of self-insurance and deductibles, providing reimbursement only after a specified number of satellite failures. As a result, a failure of one or more of the Iridium NEXT satellites, or the occurrence of equipment failures and other related problems, could constitute an uninsured loss or require the payment of additional premiums and could harm the Company's financial condition. Furthermore, launch and in-orbit insurance does not cover lost revenue. The total premium for the Company's current launch and in-orbit insurance is $121.0 million. As of June 30, 2018, the Company had made aggregate premium payments of $107.6 million.

Contingencies

From time to time, in the normal course of business, the Company is party to various pending claims and lawsuits. The Company is not aware of any such actions that it would expect to have a material adverse impact on its business, financial results or financial condition.

5. Debt

Credit Facility

In October 2010, the Company entered into its $1.8 billion credit facility with a syndicate of bank lenders, which was amended and restated on March 9, 2018 (as amended to date, the "Credit Facility"). As of June 30, 2018, the Company reported an aggregate total of $1,773.9 million in borrowings, including $94.2 million of deferred financing costs, for a net balance of $1,679.7 million in borrowings from the Credit Facility in the accompanying condensed consolidated balance sheet. Ninety-five percent of the Company's obligations under the Credit Facility are insured by Bpifrance Assurance Export S.A.S. ("BPIAE"). Future principal repayments with respect to the Credit Facility balance existing at June 30, 2018 by year and in the aggregate, are as follows:

	Amount
	(In thousands)
2018	$ 54,000
2019	126,000
2020	216,000
2021	306,000
2022	306,000
Thereafter	765,869
Total credit facility commitments	$ 1,773,869
Unamortized deferred financing costs	94,204
Short-term credit facility	108,000
Long-term credit facility, net	$ 1,571,665

Under the terms of the Credit Facility, as of June 30, 2018, the Company is required to maintain a minimum cash reserve within the DSRA of $189.0 million, which is classified as restricted cash and cash equivalents on the accompanying condensed consolidated balance sheet. The Credit Facility is scheduled to mature in September 2024, subject to acceleration as described below.

As amended and restated, the Credit Facility allowed the Company to issue the Notes and (i) delayed a portion of the principal repayments scheduled under the Credit Facility for 2018, 2019 and 2020 into 2023 and 2024 pursuant to an amended repayment installment schedule, (ii) after funding of the DSRA back to $189.0 million, allowed the Company access to up to $87.0 million from the DSRA in the future if its projected cash level falls below $75.0 million, and (iii) adjusted the Company's financial covenants, including eliminating covenants that required the Company to receive cash flows from hosted payloads and adding a covenant that requires the Company to receive $200.0 million in hosting fees from Aireon LLC, the Company's primary hosted payload customer, by December 2023. In the event that (a) the Company's cash balance exceeds $140.0 million after September 30, 2019 (subject to specified exceptions) or (b) the Company receives hosting fees from Aireon, the Company would be required pursuant to the Credit Facility to use 50% of such excess cash and up to $200.0 million of hosting fees to prepay the Credit Facility. In addition, if any of the Company's senior unsecured notes remain outstanding on October 15, 2022, which is six months prior to the scheduled maturity thereof, the maturity of all amounts remaining outstanding under the Credit Facility would be accelerated from September 30, 2024 to October 15, 2022. Fees incurred related to the amended and restated Credit Facility were $10.4 million, which were capitalized as deferred financing costs and will be amortized over the remaining term.

Interest costs incurred under the Credit Facility were $32.3 million and $53.7 million for the three and six months ended June 30, 2018, respectively, and $21.6 million and $42.8 million for the three and six months ended June 30, 2017, respectively. Interest costs include original issue discount amortization of $6.3 million and $12.8 million, for the three and six months ended June 30, 2018, respectively and $4.1 million and $10.6 million for the three and six months ended June 30, 2017, respectively. Scheduled semi-annual principal repayments began on April 3, 2018. During the repayment period, interest will be paid on the same date as the principal repayments. Interest expense in 2018 reflects the decrease in the credit facility interest being capitalized as the average balance of satellites in construction has decreased due to additional satellites being launched and placed in service. The Company was in compliance with all Credit Facility covenants as of June 30, 2018.

Senior Unsecured Notes

On March 21, 2018, the Company issued $360.0 million in senior unsecured notes (the "Notes") that bear interest at 10.25% per annum and mature on April 15, 2023. Interest is payable semi-annually on April 15 and October 15, beginning on October 15, 2018, and principal is repaid in full upon maturity. The proceeds of the Notes were used to prepay the outstanding Thales bills

of exchange, including premiums paid, of approximately $59.9 million issued pursuant to the FSD, replenish the DSRA under the Credit Facility to $189.0 million, and will be used to pay approximately $44.4 million in Thales milestones previously expected to be satisfied by the issuance of bills of exchange. The proceeds of the Notes also provided the Company with sufficient cash to meet its needs, including principal and interest payments under the Credit Facility. As of June 30, 2018, the Company reported an aggregate total of $360.0 million in borrowings, including $9.5 million of deferred financing costs, for a net balance of $350.5 million in borrowings from the Notes in the accompanying condensed consolidated balance sheet. The Notes contain covenant requirements that apply to certain permitted financing actions, and are no more restrictive than the covenants in the Credit Facility. The Company was in compliance with all covenant requirements of the Notes as of June 30, 2018.

The Company believes its liquidity sources will provide sufficient funds for it to meet its liquidity requirements for at least the next 12 months.

6. Boeing Insourcing Agreement

On January 3, 2017, the Company hired the majority of the employees and third party contractors who were responsible for the operations and maintenance of the Company's satellite constellation and ground infrastructure pursuant to an Insourcing Agreement with The Boeing Company. The Company paid Boeing $5.5 million, of which $2.75 million was paid in each of December 2016 and December 2017. As a result, the Company and Boeing terminated their previous Operations and Maintenance Agreement ("O&M Agreement") and Iridium NEXT Support Service Agreement and entered into a new Development Services Agreement ("DSA") with a $6.0 million minimum annual commitment through 2021. Boeing no longer has a unilateral right to commence the de-orbit of the Company's first-generation satellites. The acquisition of this assembled workforce was recorded as a definite-lived intangible asset in January 2017 and is being amortized over an estimated useful life of seven years. Additionally, by terminating the O&M Agreement, the Company recognized a $14.2 million gain in the first quarter of 2017, consisting of (i) the derecognition of a purchase accounting liability created when GHL Acquisition Corp. acquired Iridium Holdings LLC in 2009 related to the fair value of the contractual arrangement with Boeing as of that date, and (ii) the remainder of a credit resulting from a July 2010 Boeing contract amendment.

7. Stock-Based Compensation

In May 2017, the Company's stockholders approved the amendment and restatement of the Company's 2015 Equity Incentive Plan (as so amended and restated, the "Amended 2015 Plan"), primarily to increase the number of shares available under the plan. As such, the Company registered with the SEC an additional 5,199,239 shares of common stock made available for issuance pursuant to the Amended 2015 Plan, bringing the total to 28,402,248 shares registered. Through June 30, 2018, the remaining aggregate number of shares of the Company's common stock available for future grants under the Amended 2015 plan was 13,255,896. The Amended 2015 Plan provides for the grant of stock-based awards, including nonqualified stock options, incentive stock options, restricted stock, restricted stock units ("RSUs"), stock appreciation rights and other equity securities as incentives and rewards for employees, consultants and non-employee directors of the Company and its affiliated entities. The number of shares of common stock available for issuance under the Amended 2015 Plan is reduced by (i) one share for each share of common stock issued pursuant to an appreciation award, such as a stock option or stock appreciation right with an exercise or strike price of at least 100% of the fair market value of the underlying common stock on the date of grant, and (ii) 1.8 shares for each share of common stock issued pursuant to any stock award that is not an appreciation award, also known as a "full value award." The Amended 2015 Plan allows the Company to utilize a broad array of equity incentives and performance cash incentives in order to secure and retain the services of its employees, directors and consultants, and to provide long-term incentives that align the interests of its employees, directors and consultants with the interests of the Company's stockholders. The Company accounts for stock-based compensation at fair value.

Stock Option Awards

The fair value of stock options is determined at the grant date using the Black-Scholes option pricing model. The stock option awards granted to employees generally (i) have a term of ten years, (ii) vest over a four-year period with 25% vesting after the first year of service and the remainder vesting ratably on a quarterly basis thereafter, (iii) are contingent upon employment on the vesting date, and (iv) have an exercise price equal to the fair value of the underlying shares at the date of grant.

During the six months ended June 30, 2018 and 2017, the Company granted approximately 284,000 and 110,000 stock options, respectively, to its employees, with an estimated aggregate grant date fair value of $1.6 million and $0.5 million, respectively.

Restricted Stock Units

The RSUs granted to employees for service generally vest over a four-year period, with 25% vesting on the first anniversary of the grant date and the remainder vesting ratably on a quarterly basis thereafter, subject to continued employment. The RSUs

granted to non-employee directors generally vest in full on the first anniversary of the grant date. Some RSUs granted to employees for performance vest upon the completion of defined performance goals, subject to continued employment. The Company's RSUs are generally classified as equity awards because the RSUs will be paid in the Company's common stock upon vesting. The related compensation expense is recognized over the service period and is based on the grant date fair value of the Company's common stock and the number of shares expected to vest. The fair value of the awards is not remeasured at the end of each reporting period. The awards do not carry voting rights until they are vested and released in accordance with the terms of the award.

Service-Based RSUs

The majority of the annual compensation the Company provides to members of its board of directors is paid in the form of RSUs. In addition, certain members of the Company's board of directors elect to receive the remainder of their annual compensation, or a portion thereof, in the form of RSUs. An aggregate amount of approximately 110,000 and 96,000 service-based RSUs were granted to its directors as a result of these payments and elections during the six months ended June 30, 2018 and 2017, respectively, with an estimated grant date fair value of $1.3 million and $1.0 million, respectively.

During the six months ended June 30, 2018 and 2017, the Company granted approximately 900,000 and 964,000 service-based RSUs, respectively, to its employees, with an estimated aggregate grant date fair value of $10.7 million and $8.5 million, respectively.

In June 2018 and June 2017, the Company granted approximately 13,000 and 8,000 service-based RSUs, respectively, to non-employee consultants. The RSUs are generally subject to service-based vesting. The RSUs will vest 50% in June of the year after the grant and the remaining 50% will vest quarterly thereafter. The estimated aggregate grant date fair value of the RSUs granted to non-employee consultants during the six months ended June 30, 2018 and 2017 was $0.2 million and $0.1 million, respectively.

Performance-Based RSUs

In March 2018 and 2017, the Company granted approximately 474,000 and 1,190,000 performance-based RSUs to the Company’s executives and employees (the “Bonus RSUs”), with an estimated grant date fair value of $5.6 million and $10.5 million, respectively. Vesting of the Bonus RSUs is and was dependent upon the Company’s achievement of defined performance goals over a one-year period (fiscal year 2018 for the 2018 Bonus RSUs and fiscal year 2017 for the 2017 Bonus RSUs). The Company records stock-based compensation expense related to performance-based RSUs when it is considered probable that the performance conditions will be met. Management believes it is probable that certain of the 2018 Bonus RSUs will vest. The level of achievement, if any, of performance goals will be determined by the compensation committee of the Company’s board of directors and, if such goals are achieved, the 2018 Bonus RSUs will vest, subject to continued employment, in March 2019. A portion of the 2017 Bonus RSUs vested in March 2018 upon the determination of the level of achievement of the performance goals.

Additionally, during 2018 and 2017, the Company awarded approximately 134,000 and 173,000 performance-based RSUs, respectively, to the Company’s executives (the “Executive RSUs”). The estimated aggregate grant date fair value of the Executive RSUs was $1.6 million for the 2018 grants and $1.5 million for the 2017 grants. Vesting of the Executive RSUs is and was dependent upon the Company’s achievement of defined performance goals over a two-year period (fiscal years 2018 and 2019 for the Executive RSUs granted in 2018 and fiscal years 2017 and 2018 for the Executive RSUs granted in 2017). Management believes it is probable that the Executive RSUs will vest at least in part. The vesting of Executive RSUs will ultimately range from 0% to 150% of the number of shares underlying the Executive RSUs granted based on the level of achievement of the performance goals. If the Company achieves the performance goals, 50% of the Executive RSUs will vest on the second anniversary of the grant date, and the remaining 50% will vest on the third anniversary of the grant date, in each case subject to the executive's continued service as of the vesting date.

8. Equity Transactions

Preferred Stock

The Company is authorized to issue 2.0 million shares of preferred stock with a par value of $0.0001 per share. As described below, the Company issued 1.0 million shares of preferred stock in the fourth quarter of 2012 and 0.5 million shares of preferred stock in the second quarter of 2014. The remaining 0.5 million authorized shares of preferred stock remain undesignated and unissued as of June 30, 2018.

Series A Cumulative Perpetual Convertible Preferred Stock

In the fourth quarter of 2012, the Company issued 1.0 million shares of its 7.00% Series A Cumulative Perpetual Convertible Preferred Stock (the "Series A Preferred Stock") in a private offering. During the three months ended March 31, 2018, the Company's daily volume-weighted average stock price remained at or above $12.26 per share for a period of 20 out of 30 trading days, thereby allowing for the conversion of the Series A Preferred Stock at the election of the Company. On March 20, 2018, the Company converted all outstanding shares of its Series A Preferred Stock into shares of common stock, resulting in the issuance of 10,599,974 shares of common stock. The Company declared and paid all current and cumulative dividends to holders of record of Series A Preferred Stock as of March 8, 2018. As such, the Company paid cash dividends of zero and $7.0 million to the holders of the Series A Preferred Stock during the three and six months ended June 30, 2018, respectively. The Company paid cash dividends of zero and $1.8 million to holders of the Series A Preferred Stock during the three and six months ended June 30, 2017, respectively.

Series B Cumulative Perpetual Convertible Preferred Stock

In May 2014, the Company issued 500,000 shares of its 6.75% Series B Cumulative Perpetual Convertible Preferred Stock (the "Series B Preferred Stock") in an underwritten public offering at a price to the public of $250 per share. The purchase price received by the Company, equal to $242.50 per share, reflected an underwriting discount of $7.50 per share. The Company received proceeds of $120.8 million from the sale of the Series B Preferred Stock, net of the $3.8 million underwriter discount and $0.4 million of offering costs.

As of June 30, 2018, there were 500,000 shares of Series B Preferred Stock outstanding. Holders of Series B Preferred Stock are entitled to receive cumulative cash dividends at a rate of 6.75% per annum of the $250 liquidation preference per share (equivalent to an annual rate of $16.875 per share). Dividends are payable quarterly in arrears on each March 15, June 15, September 15 and December 15. The Series B Preferred Stock does not have a stated maturity date and is not subject to any sinking fund or mandatory redemption provisions. The Series B Preferred Stock ranks senior to the Company’s common stock with respect to dividend rights and rights upon the Company’s voluntary or involuntary liquidation, dissolution or winding-up. Holders of Series B Preferred Stock generally have no voting rights except for limited voting rights if the Company fails to pay dividends for six or more quarterly periods (whether or not consecutive) and in other specified circumstances. Holders of Series B Preferred Stock may convert some or all of their outstanding Series B Preferred Stock at an initial conversion rate of 33.456 shares of common stock per $250 liquidation preference, which is equivalent to an initial conversion price of approximately $7.47 per share of common stock (subject to adjustment in certain events).

In connection with the conversion of the Series A Preferred Stock described above, the Company declared and paid all current and cumulative dividends to holders of record of Series B Preferred Stock as of March 8, 2018. As such, the Company paid cash dividends of zero and $8.4 million to holders of the Series B Preferred Stock during the three and six months ended June 30, 2018, respectively. In compliance with the Credit Facility, subsequent to the dividend payment, the Company began the planned suspension of dividends to holders of the Series B Preferred Stock for five quarters, beginning with the dividend payment that would otherwise be required to be paid in June 2018. The Company paid cash dividends of zero and $2.1 million to holders of the Series B Preferred Stock during the three and six months ended June 30, 2017, respectively.

On or after May 15, 2019, the Company may, at its option, convert some or all of the Series B Preferred Stock into the number of shares of common stock that are issuable at the then-applicable conversion rate, subject to specified conditions, including (i) a daily volume-weighted average stock price of at least $11.15 per share over a period of 20 trading days in a 30-day period and (ii) the payment of cumulative dividends. In the event of certain specified fundamental changes, holders of the Series B Preferred Stock will have the right to convert some or all of their shares of Series B Preferred Stock into the greater of (i) a number of shares of the Company’s common stock as subject to adjustment plus the make-whole premium, if any, and (ii) a number of shares of the Company’s common stock equal to the lesser of (a) the liquidation preference divided by the market value of the Company’s common stock on the effective date of such fundamental change and (b) 81.9672 (subject to adjustment). In certain circumstances, the Company may elect to cash settle any conversions in connection with a fundamental change. Any suspended dividends are required to be paid prior to conversion by the Company.

9. Revenue

Effective January 1, 2018, the Company adopted ASU No. 2014-09. Under the new standard, the Company performs the following steps to determine the amount of revenue to be recognized: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation. The Company only applies the five-step model to contracts when it is probable that it will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer.

In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Company adopted the standard using the modified retrospective method with a cumulative effect adjustment recorded to opening retained earnings. This method required application of the new guidance at the beginning of the earliest comparative period presented for revenue agreements that were not substantially complete as of the date of adoption. The Company does not disclose the value of unsatisfied performance obligations because the majority of its contracts have expected lengths of one year or less. The Company did not retrospectively restate contracts with modifications prior to the earliest period presented, but instead reflected the aggregate effect of all modifications at transition.

The Company derives its revenue primarily as a wholesaler of satellite communications products and services. Pursuant to wholesale agreements, the Company sells its products and services to service providers who, in turn, sell the products and services to other distributors or directly to the end users. The primary types of revenue include (i) service revenue (access and usage-based airtime fees), (ii) subscriber equipment revenue, and (iii) revenue generated by providing engineering and support services to commercial and government customers.

Contracts with multiple performance obligations. At times, the Company sells services and equipment through arrangements that bundle equipment, airtime and other services. For these revenue arrangements when the Company sells services and equipment in bundled arrangements and determines that it has separate distinct performance obligations, the Company allocates the bundled contract price among the various performance obligations based on each deliverable's stand-alone selling price. If the stand-alone selling price is not directly observable, the Company estimates the amount to be allocated for each performance obligation based on observable market transactions or the residual approach. When the Company determines the performance obligations are not distinct, the Company recognizes revenue on a combined basis as the last obligation is satisfied. To the extent the Company's contracts include variable consideration, the transaction price includes both fixed and variable consideration. The variable consideration contained within the Company's contracts with customers may include discounts, credits and other similar items. When a contract includes variable consideration, the Company evaluates the estimate of the variable consideration to determine whether the estimate needs to be constrained; therefore, the Company includes the variable consideration in the transaction price only to the extent that it is probable that a significant reversal of the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Variable consideration estimates are updated at the end of each quarter.

Service revenue sold on a stand-alone basis. Service revenue is generated from the Company's service providers through usage of its satellite system and through fixed monthly access fees per user charged to service providers. Revenue for usage is recognized when usage occurs. Revenue for fixed-per-user access fees is recognized over the usage period in which the services are provided to the end user. The Company sells prepaid services in the form of e-vouchers and prepaid cards. A liability is established equal to the cash paid upon purchase for the e-voucher or prepaid card. Under the new standard, the Company (i) recognizes revenue from the prepaid services upon the use of the e-voucher or prepaid card by the customer and (ii) estimates the expected revenue that will expire unused on an ongoing basis and recognizes this revenue in a manner consistent with the usage period. The Company does not offer refunds for unused prepaid services.

Services sold to the U.S. government. The Company provides airtime and airtime support to U.S. government and other authorized customers pursuant to the Enhanced Mobile Satellite Services ("EMSS") contract managed by the Defense Information Systems Agency ("DISA"). Effective October 22, 2013, the Company executed a five-year EMSS contract, managed by DISA. Under the terms of this agreement, authorized customers continue to utilize airtime services, provided through the U.S. Department of Defense's ("DoD") dedicated gateway. These services include unlimited global secure and unsecure voice, low and high-speed data, paging, broadcast and Distributed Tactical Communications Services ("DTCS") services for an unlimited number of DoD and other federal subscribers. The fixed-price rate for the remaining contract year, which runs through October 21, 2018, is $88 million per year. Under this contract, revenue is based on the annual fee for the fixed-price contract with unlimited subscribers, and is recognized on a straight-line basis over each contractual year. The U.S. government purchases its subscriber equipment from third-party distributors and not directly from the Company.

The following table summarizes the Company's services revenue:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(in thousands)			
Commercial voice and data services	$ 48,712	$ 44,203	$ 92,442	$ 85,849
Commercial IoT data services	20,835	18,505	40,618	35,435
Hosted payload and other data services	12,419	1,915	16,648	3,112
Government services	22,000	22,000	44,000	44,000
Total services	$ 103,966	$ 86,623	$ 193,708	$ 168,396

Subscriber equipment sold on a stand-alone basis. The Company recognizes subscriber equipment sales and the related costs at a point in time when title to the equipment (and the risks and rewards of ownership) passes to the customer, typically upon shipment. Customers do not have rights of return without prior consent from the Company.

Government engineering and support services. The Company provides maintenance services to the U.S. government's dedicated gateway. This revenue is recognized ratably over the periods in which the services are provided; the related costs are expensed as incurred.

Other government and commercial engineering and support services. The Company also provides engineering services to assist customers in developing new technologies for use on the Company's satellite system. The revenue associated with fixed fee contracts is recognized over time using costs incurred to date relative to total estimated costs at completion to measure progress toward satisfying its performance obligations. The Company does not include purchases of goods from a third party in its evaluation of costs incurred. Incurred cost represents work performed, which corresponds with, and thereby best depicts, the transfer of control to the customer. Revenue on cost-plus-fixed-fee contracts is recognized to the extent of estimated costs incurred plus the applicable fees earned. The Company considers fixed fees under cost-plus-fixed-fee contracts to be earned in proportion to the allowable costs incurred in performance of the contract.

The following table summarizes the Company's engineering and support services revenue:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(in thousands)			
Commercial	$ 114	$ 736	$ 195	$ 1,207
Government	4,986	5,401	8,529	10,469
Total	$ 5,100	$ 6,137	$ 8,724	$ 11,676

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and deferred revenue (contract liabilities) on the condensed consolidated balance sheet. The Company bills amounts under its agreed-upon contractual terms at periodic intervals (for services), upon shipment (for equipment), or upon achievement of contractual milestones or as work progresses (for engineering and support services). Billing may occur subsequent to revenue recognition, resulting in accounts receivable (contract assets). The Company may also receive payments from customers before revenue is recognized, resulting in deferred revenue (contract liabilities). The Company recognized revenue that was previously recorded as deferred revenue in the amounts of $16.3 million and $8.7 million for the three months ended June 30, 2018 and 2017, respectively, and $24.8 million and $16.0 million for the six months ended June 30, 2018 and 2017, respectively. The Company has also recorded costs of obtaining contracts expected to be recovered in prepaid expenses and other assets (contract assets or commissions), that are not separately disclosed on the condensed consolidated balance sheets. The commissions are recognized over the estimated prepaid usage period. The contract assets not separately disclosed are as follows:

	June 30, 2018	December 31, 2017
	(in thousands)	
Contract Assets:		
Commissions	$ 1,096	$ 1,555
Other Contract Costs	3,862	3,753

The primary impact of adopting ASU 2014-09 relates to the Company's prepaid service revenue and associated breakage. Under the new standard, the Company now estimates the expected revenue that will expire unused on an ongoing basis and recognizes this revenue in a manner consistent with the usage period. Upon adoption, the contract liability - deferred revenue, associated with prepaid service revenue, was reduced by approximately $15.7 million as a result of the change to include a breakage estimate over the usage period.

Adopting the new standard had an immaterial impact on the Company's financial statements. The impact of the implementation of the new revenue standard on the Company's condensed consolidated balance sheet, as compared to accounting under prior revenue guidance (Accounting Standards Codification ("ASC") Topic 605), was as follows:

	June 30, 2018		
	As reported	Adjustment	As adjusted
	(in thousands)		
Prepaid expenses and other current assets	$ 25,048	$ 446	$ 25,494
Deferred revenue	21,692	19,781	41,473
Deferred revenue, net of current portion	58,565	(2,914)	55,651
Other long-term liabilities	4,150	(3,852)	298
Retained earnings	522,150	(12,568)	509,582

The impact of the implementation of the new standard on the Company's condensed consolidated statements of operations and comprehensive income was as follows:

	Three months ended June 30, 2018			Six months ended June 30, 2018		
	As reported	Adjustment	As adjusted	As reported	Adjustment	As adjusted
	(in thousands)					
Service revenue	$ 103,966	(255)	103,711	$ 193,708	(1,182)	192,526
Cost of services	$ 22,644	37	22,681	$ 41,596	(63)	41,533
Income before income taxes	$ 3,425	(292)	3,133	$ 18,736	(1,119)	17,617
Income tax expense	(7,843)	22	(7,821)	(11,682)	288	(11,394)
Net income (loss)	$ (4,418)	(270)	(4,688)	$ 7,054	(831)	6,223

10. Income Taxes

The Securities and Exchange Commission issued Staff Accounting Bulletin No. 118 ("SAB 118") to address the application of U.S. GAAP in situations when a registrant does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Tax Cuts and Jobs Act of 2017 ("Tax Act"). SAB 118 was effective for reporting periods that include December 22, 2017. Due to the timing of the enactment and the complexity involved in applying the provisions of the Tax Act, the Company made reasonable estimates of the effects of the Tax Act and recorded provisional amounts in its financial statements as of and for the year ended December 31, 2017, resulting in a net tax benefit of $150.9 million in that period. As the Company collects and prepares the necessary data, and interprets the Tax Act and any additional guidance issued by the U.S. Treasury Department, the IRS, and other standard-setting bodies, it may make adjustments to the provisional amounts. Those adjustments may materially impact the Company's provision for income taxes and effective tax rate in the period in which the adjustments are made. To date, management has not made any such adjustments to the provisional amounts for the remeasurement of deferred tax assets and liabilities and the deemed repatriation of certain foreign subsidiary earnings. The accounting for the tax effects of the Tax Act will be completed during 2018.

In April 2018, Maryland enacted the single sales factor method for apportioning income to the state to be phased in over five years commencing in 2018. This change results in higher future Maryland taxes for the Company, increasing its year-to-date income tax provision by $8.7 million for the impact on its existing deferred tax assets and liabilities. If the Company's current estimates change in future periods, the impact on the deferred tax assets and liabilities may change correspondingly.

11. Net Income (Loss) Per Share

The Company calculates basic net income per share by dividing net income attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net income per share takes into account the effect of potential dilutive common shares when the effect is dilutive. The effect of potential dilutive common shares, including common stock issuable upon exercise of outstanding stock options, is computed using the treasury stock method. The effect of potential dilutive common shares from the conversion of outstanding convertible preferred securities is computed using the as-if converted method at the stated conversion rate. As noted above, the Series A Preferred Stock was converted into shares of common stock on March 20, 2018. The RSUs granted to members of the Company's board of directors contain non-forfeitable rights to dividends and therefore are considered to be participating securities in periods of net income. As a result, the calculation of basic and diluted net income per share excludes net income attributable to the unvested RSUs granted to the Company's board of directors from the numerator and excludes the impact of the unvested RSUs granted to the Company's board of directors from the denominator.

The computations of basic and diluted net income per share are as follows:

	Three Months Ended June 30,	
	2018	2017
	(in thousands, except per share data)	
Numerator:		
Net income (loss) attributable to common stockholders	$ (6,527)	$ 20,919
Net income allocated to participating securities	6	(20)
Numerator for basic net income (loss) per share	(6,521)	20,899
Dividends on Series A Preferred Stock, excluding cumulative dividends	—	1,750
Dividends on Series B Preferred Stock, excluding cumulative dividends	—	2,109
Numerator for diluted net income (loss) per share	$ (6,521)	$ 24,758
Denominator:		
Denominator for basic net income per share - weighted average outstanding common shares	111,111	97,989
Dilutive effect of stock options	—	1,571
Dilutive effect of contingently issuable shares	—	54
Dilutive effect of Series A Preferred Stock	—	10,602
Dilutive effect of Series B Preferred Stock	—	16,727
Denominator for diluted net income per share	111,111	126,943
Net income (loss) per share attributable to common stockholders - basic	$ (0.06)	$ 0.21
Net income (loss) per share attributable to common stockholders - diluted	$ (0.06)	$ 0.20

For the three months ended June 30, 2018, options to purchase 0.3 million shares of common stock were not included in the computation of diluted net loss per share, as the effect would be anti dilutive, and 0.7 million unvested performance-based RSUs were not included in the computation of basic and diluted net loss per share as certain performance criteria had not been satisfied. For the three months ended June 30, 2018, 16.7 million as-if converted shares of the Series B Preferred Stock were not included in the computation of diluted net loss per share, as the effect would be anti-dilutive. For the three months ended June 30, 2017, 1.8 million unvested non-performance based RSUs were not included in the computation of basic net income per share and excluded from the computation of diluted net income per share, as the effect would be anti-dilutive, and 0.1 million unvested performance-based RSUs were not included in the computation of basic and diluted net income per share, as certain performance criteria had not been satisfied.

For the three months ended June 30, 2018, $2.1 million in cumulative unpaid dividends to holders of the Series B Preferred Stock were not declared or accrued as a result of all cash dividends being suspended, but such amounts were deducted to arrive at net income attributable to common stockholders. For the three months ended June 30, 2017, $1.8 million and $2.1 million in cumulative unpaid dividends to holders of the Series A Preferred Stock and Series B Preferred Stock, respectively, were not declared or accrued as a result of all cash dividends being suspended, but such amounts were deducted to arrive at net income attributable to common stockholders.

	Six Months Ended June 30,	
	2018	2017
	(in thousands, except per share data)	
Numerator:		
Net income attributable to common stockholders	$ 1,086	$ 55,008
Net income allocated to participating securities	(1)	(55)
Numerator for basic net income per share	1,085	54,953
Dividends on Series A Preferred Stock, excluding cumulative dividends	—	3,500
Dividends on Series B Preferred Stock, excluding cumulative dividends	—	4,218
Numerator for diluted net income per share	$ 1,085	$ 62,671
Denominator:		
Denominator for basic net income per share - weighted average outstanding common shares	105,927	97,424
Dilutive effect of stock options	2,347	1,353
Dilutive effect of contingently issuable shares	1,131	553
Dilutive effect of Series A Preferred Stock	—	10,602
Dilutive effect of Series B Preferred Stock	—	16,727
Denominator for diluted net income per share	109,405	126,659
Net income per share attributable to common stockholders - basic	$ 0.01	$ 0.56
Net income per share attributable to common stockholders - diluted	$ 0.01	$ 0.49

For the six months ended June 30, 2018, options to purchase 0.3 million shares of common stock were not included in the computation of diluted net income per share, as the effect would be anti-dilutive, and 0.6 million unvested performance-based RSUs were not included in the computation of basic and diluted net income per share, as certain performance criteria had not been satisfied. For the six months ended June 30, 2018, 4.6 million as-if converted shares of the Series A Preferred Stock and 16.7 million as-if converted shares of the Series B Preferred Stock were not included in the computation of diluted net income per share, as the effect would be anti-dilutive. For the six months ended June 30, 2017, 1.6 million unvested non-performance based RSUs were not included in the computation of basic net income per share and excluded from the computation of diluted net income per share, as the effect would be anti-dilutive, and 0.6 million unvested performance-based RSUs were not included in the computation of basic and diluted net income per share, as certain performance criteria had not been satisfied.

For the six months ended June 30, 2018, $2.1 million in cumulative unpaid dividends to holders of the Series B Preferred Stock were not declared or accrued as a result of all cash dividends being suspended, but such amounts were deducted to arrive at net income attributable to common stockholders. For the six months ended June 30, 2017, $1.8 million and $2.1 million in cumulative unpaid dividends to holders of the Series A Preferred Stock and Series B Preferred Stock, respectively, were not declared or accrued as a result of all cash dividends being suspended, but such amounts were deducted to arrive at net income attributable to common stockholders. For the six months ended June 30, 2017, options to purchase 0.1 million shares of common stock were not included in the computation of diluted net income per share, as the effect would be anti-dilutive.

12. Related Party Transactions

Aireon LLC

The Iridium NEXT constellation hosts the Aireon℠ system, which will provide a global air traffic surveillance service through a series of automatic dependent surveillance-broadcast ("ADS-B") receivers on the Iridium NEXT satellites. Iridium formed Aireon LLC ("Aireon") in 2011, with subsequent investments from the air navigation service providers ("ANSPs") of Canada, Italy, Denmark, Ireland and the United Kingdom, to develop and market this service. Aireon has contracted to pay Iridium a fee to host the ADS-B receivers on Iridium NEXT, as well as data service fees for the delivery of the air traffic surveillance data over the Iridium NEXT system. Under this agreement with Aireon, Aireon will pay Iridium fees of $200.0 million to host the ADS-B receivers on Iridium NEXT (the "Hosting Agreement") and additional power fees of approximately $2.8 million per year, as well as data services fees of up to approximately $19.8 million per year for the delivery of the air traffic surveillance data over the Iridium NEXT system (the "Data Services Agreement"). The Aireon ADS-B receivers on the Iridium NEXT satellites are activated on an individual basis as the Iridium NEXT satellite begins carrying traffic.

At June 30, 2018, the Company had a fully diluted ownership stake in Aireon of approximately 35.7%, subject to certain redemption provisions contained in the Amended and Restated Limited Liability Company Agreement (the "Aireon LLC Agreement").

Under the Company's Hosting Agreement, the $200.0 million due is interest-bearing for amounts not paid on time. The Company had previously determined there was not sufficient support that Aireon will be able to make the payments due under the Hosting Agreement. As of June 30, 2018, the Company had received $8.1 million under the Hosting Agreement, all of which was received in the quarter ended June 30, 2018.

In July 2018, the Company and Aireon amended certain terms of the Hosting Agreement. As amended, the Company is scheduled to receive an additional payment of $6.4 million in December 2018 and semi-annual payments of $8.0 million beginning in 2019 until the hosting fees are paid in full, without any contingency relating to Aireon's ability to raise debt. Aireon continues to be obligated to pay the Company in full the remaining portion of the $200.0 million in hosting fees when they are able to raise debt to do so. As a result of the amendment and an updated financial collectability assessment, as of June 30, 2018, the Company recognized $6.9 million of revenue related to total cumulative hosting services rendered to date.

Under the Data Services Agreement, Aireon pays the Company monthly data service payments on a per satellite basis beginning on each satellite's in-service date. The Company recorded data service revenue from Aireon of $2.1 million and $3.6 million for the three and six months ended June 30, 2018, respectively. Revenues recorded for the three and six months ended June 30, 2017 were immaterial.

Under a services agreement, the Company also provides administrative services, including subleased office space to Aireon, which are paid monthly. Aireon receivables due to the Company under all agreements totaled $1.0 million and $0.6 million at June 30, 2018 and December 31, 2017, respectively.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

You should read the following discussion along with our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed on February 22, 2018 with the Securities and Exchange Commission, or the SEC, as well as our condensed consolidated financial statements included in this Form 10-Q.

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Such forward-looking statements include those that express plans, anticipation, intent, contingencies, goals, targets or future development or otherwise are not statements of historical fact. Without limiting the foregoing, the words "believe," "anticipate," "plan," "expect," "intend" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on our current expectations and projections about future events, and they are subject to risks and uncertainties, known and unknown, that could cause actual results and developments to differ materially from those expressed or implied in such statements. The important factors described under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 filed on February 22, 2018, and in this Quarterly Report, could cause actual results to differ materially from those indicated by forward-looking statements made herein. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview of Our Business

We are the only commercial provider of communications services offering true global coverage, connecting people, organizations and assets to and from anywhere, in real time. Our unique L-band satellite network provides reliable communications services to regions of the world where terrestrial wireless or wireline networks do not exist or are limited, including remote land areas, open ocean, airways, the polar regions and regions where the telecommunications infrastructure has been affected by political conflicts or natural disasters.

We provide voice and data communications services to businesses, the U.S. and foreign governments, non-governmental organizations and consumers via our satellite network, which has an architecture of 66 operational satellites with in-orbit spares and related ground infrastructure. We utilize an interlinked mesh architecture to route traffic across our satellite constellation using radio frequency crosslinks between satellites. This unique architecture minimizes the need for local ground facilities to support the constellation, which facilitates the global reach of our services and allows us to offer services in countries and regions where we have no physical presence.

We sell our products and services to commercial end-users through a wholesale distribution network, encompassing approximately 150 service providers, approximately 230 value-added resellers, or VARs, and approximately 85 value-added manufacturers, or VAMs, which create and sell technology that uses the Iridium® network either directly to the end user or indirectly through other service providers, VARs or dealers. These distributors often integrate our products and services with other complementary hardware and software and have developed a broad suite of applications using our products and services to target specific lines of business. We expect that demand for our services will increase as more applications are developed and deployed that utilize our technology.

At June 30, 2018, we had approximately 1,047,000 billable subscribers worldwide, representing an increase of 15% from approximately 912,000 billable subscribers at June 30, 2017. We have a diverse customer base, with end users in the following lines of business: land-based handset; Internet of Things, or IoT; maritime; aviation; and government.

We recognize revenue from both the sale of equipment and the provision of services. Over the past several years, an increasing proportion of our revenue has been derived from service revenue, including revenue from hosting and data services, and we expect that trend to continue.

We are in the process of replacing our first generation constellation with our Iridium NEXT satellite constellation, which we expect to complete in 2018, and which will use the same interlinked mesh architecture as our first-generation constellation, with 66 operational satellites, as well as in-orbit and ground spares. As of June 30, 2018, of the 55 Iridium NEXT satellites we have launched to date, 50 have been placed into service, 2 are being drifted to adjacent planes and 3 are in-orbit spares.

We have contracted with Thales Alenia Space France, or Thales, to construct the Iridium NEXT satellites, which are compatible with our first-generation constellation and current end-user equipment, so that as we launch Iridium NEXT satellites, we replace the first-generation satellites in our constellation without affecting the service to our end users. We plan to deploy 75 satellites on seven dedicated Falcon 9 rockets and one shared Falcon 9 rocket launched by Space Exploration Technologies Corporation, or SpaceX. We estimate the costs associated with the design, build and launch of Iridium NEXT and related ground infrastructure upgrades through 2018 to be approximately $3 billion. Our funding plan for these costs includes the substantial majority of the funds drawn under our $1.8 billion credit facility, or the Credit Facility, which was fully drawn as of

February 2017, together with cash on hand and internally generated cash flows, including contracted cash flows from hosted payloads.

The Iridium NEXT constellation will also host the Aireon℠ system to provide a global air traffic surveillance service through a series of automatic dependent surveillance-broadcast, or ADS-B, receivers on the Iridium NEXT satellites. We formed Aireon LLC in 2011, with subsequent investments from the air navigation service providers, or ANSPs, of Canada, Italy, Denmark, Ireland and the United Kingdom, to develop and market this service. Aireon has contracted to provide the service to our co-investors in Aireon and other ANSPs. Aireon also plans to offer the service to other customers worldwide, including the U.S. Federal Aviation Administration, or FAA. Aireon has contracted to pay us a fee to host the ADS-B receivers on Iridium NEXT, and made an initial $8.1 million payment for a portion of its hosting fee to us. Aireon also pays us data service fees for the delivery of the air traffic surveillance data over the Iridium NEXT system on a per satellite basis, which will increase with the number of Iridium NEXT satellites placed into service. In addition, we have entered into an agreement with Harris Corporation, the manufacturer of the Aireon hosted payload, pursuant to which Harris pays us fees for the remaining hosted payload capacity which it has sold to its customers; Harris also pays us data service fees on behalf of these customers.

Recent Developments

Iridium NEXT

As described above, as of June 30, 2018, we had completed six out of eight scheduled Iridium NEXT launches. Our insurance program includes our ground spares and a prepaid relaunch right with SpaceX to self-insure a portion of our launch and in-orbit risks, as permitted under the Credit Facility. While we believe this has enabled us to obtain insurance at a substantially lower cost than would have been possible without the spares and relaunch right, if we use our spares to replace lost satellites, we could decide to purchase additional satellites to maintain a backup supply of spares. The cost of such additional spares is not included in the $3 billion estimated cost for the design, build and launch of Iridium NEXT and related infrastructure upgrades through 2018.

Material Trends and Uncertainties

Our industry and customer base has historically grown as a result of:

- demand for remote and reliable mobile communications services;
- increased demand for communications services by disaster and relief agencies and emergency first responders;
- a broad wholesale distribution network with access to diverse and geographically dispersed niche markets;
- a growing number of new products and services and related applications;
- improved data transmission speeds for mobile satellite service offerings;
- regulatory mandates requiring the use of mobile satellite services;
- a general reduction in prices of mobile satellite services and subscriber equipment; and
- geographic market expansion through the ability to offer our services in additional countries.

Nonetheless, we face a number of challenges and uncertainties in operating our business, including:

- our ability to complete the deployment of Iridium NEXT;
- our ability to develop and launch new and innovative products and services for Iridium NEXT;
- Aireon LLC's ability to successfully deploy and market its space-based ADS-B, global aviation monitoring service to be carried as a hosted payload on the Iridium NEXT system;
- Aireon's ability to pay in full its hosting fees to us;
- our ability to maintain the health, capacity, control and level of service of our remaining first-generation satellites through the completion of Iridium NEXT;
- changes in general economic, business and industry conditions, including the effects of currency exchange rates;
- our reliance on a single primary commercial gateway and a primary satellite network operations center;

- competition from other mobile satellite service providers and, to a lesser extent, from the expansion of terrestrial-based cellular phone systems and related pricing pressures;
- market acceptance of our products, including Iridium Certus℠;
- regulatory requirements in existing and new geographic markets;
- rapid and significant technological changes in the telecommunications industry;
- reliance on our wholesale distribution network to market and sell our products, services and applications effectively;
- reliance on single-source suppliers for the manufacture of most of our subscriber equipment and for some of the components required in the manufacture of our end-user subscriber equipment and our ability to purchase parts that are periodically subject to shortages resulting from surges in demand, natural disasters or other events; and
- reliance on a few significant customers, particularly agencies of the U.S. government, for a substantial portion of our revenue, as a result of which the loss or decline in business with any of these customers may negatively impact our revenue and collectability of related accounts receivable.

Comparison of Our Results of Operations for the Three Months Ended June 30, 2018 and 2017

	Three Months Ended June 30,				Change	
($ in thousands)	2018	% of Total Revenue	2017	% of Total Revenue	Dollars	Percent
Revenue:						
Services	$ 103,966	77 %	$ 86,623	78 %	$ 17,343	20 %
Subscriber equipment	25,865	19 %	18,844	17 %	7,021	37 %
Engineering and support services	5,100	4 %	6,137	5 %	(1,037)	(17)%
Total revenue	134,931	100 %	111,604	100 %	23,327	21 %
Operating expenses:						
Cost of services (exclusive of depreciation and amortization)	22,644	17 %	21,368	19 %	1,276	6 %
Cost of subscriber equipment	15,619	12 %	10,868	10 %	4,751	44 %
Research and development	5,566	4 %	3,014	3 %	2,552	85 %
Selling, general and administrative	24,266	18 %	20,411	18 %	3,855	19 %
Depreciation and amortization	50,491	37 %	20,201	18 %	30,290	150 %
Total operating expenses	118,586	88 %	75,862	68 %	42,724	56 %
Operating income	16,345	12 %	35,742	32 %	(19,397)	(54)%
Other income (expense):						
Interest income (expense), net	(12,985)	(10)%	832	1 %	(13,817)	(1,661)%
Other income (expense), net	65	— %	(56)	— %	121	(216)%
Total other income (expense), net	(12,920)	(10)%	776	1 %	(13,696)	(1,765)%
Income before income taxes	3,425	2 %	36,518	33 %	(33,093)	(91)%
Income tax expense	(7,843)	(6)%	(11,740)	(11)%	3,897	(33)%
Net income (loss)	$ (4,418)	(4)%	$ 24,778	22 %	$ (29,196)	(118)%

Revenue

Commercial Service Revenue

	Three Months Ended June 30,								
	2018			2017			Change		
	Revenue	Billable Subscribers [1]	ARPU [2]	Revenue	Billable Subscribers [1]	ARPU [2]	Revenue	Billable Subscribers	ARPU
	(Revenue in millions and subscribers in thousands)								
Commercial voice and data	$ 48.8	364	$ 45	$ 44.1	360	$ 41	$ 4.7	4	$ 4
Commercial IoT data	20.8	576	12	18.6	461	14	2.2	115	(2)
Hosted payload and other data services	12.4	N/A		1.9	N/A		10.5	N/A	
Total Commercial	$ 82.0	940		$ 64.6	821		$ 17.4	119	

[1] Billable subscriber numbers shown are at the end of the respective period.

[2] Average monthly revenue per unit, or ARPU, is calculated by dividing revenue in the respective period by the average of the number of billable subscribers at the beginning of the period and the number of billable subscribers at the end of the period and then dividing the result by the number of months in the period. Billable subscriber and ARPU data is not applicable for hosted payload and other data service revenue items.

For the three months ended June 30, 2018, commercial voice and data revenue increased by $4.7 million, or 10%, from the prior year period principally due to an increase in average revenue per unit resulting from certain price increases in access fees and growth in Iridium OpenPort® subscribers.

For the three months ended June 30, 2018, commercial IoT data revenue increased by $2.2 million, or 13%, from the prior year period primarily due to a 25% increase in commercial IoT data billable subscribers.

Hosted payload and other data service revenue increased by $10.5 million, or 549%, from the prior year primarily due to increased revenue recognition from hosting services related to Aireon, increased data services due to an increase in the number of Iridium NEXT satellites in orbit and increased satellite timing and location services.

We anticipate continued growth in billable commercial subscribers for the remainder of 2018.

Government Service Revenue

	Three Months Ended June 30,					
	2018		2017		Change	
	Revenue	Billable Subscribers [1]	Revenue	Billable Subscribers [1]	Revenue	Billable Subscribers
	(Revenue in millions and subscribers in thousands)					
Government service revenue	$ 22.0	107	$ 22.0	92	$ —	15

[1] Billable subscriber numbers shown are at the end of the respective period.

We provide Iridium airtime and airtime support to U.S. government and other authorized customers pursuant to a five-year EMSS contract executed in October 2013 and managed by DISA. Under the terms of this agreement, authorized customers utilize certain Iridium airtime services provided through the U.S. Department of Defense's, or DoD's, dedicated gateway. These services include unlimited global secure and unsecure voice, low and high-speed data, paging, broadcast, and Distributed Tactical Communications System, or DTCS, services for an unlimited number of DoD and other federal subscribers. The service fee under the EMSS contract is fixed at $88 million per year for the remainder of the term, and is not based on subscribers or usage, allowing an unlimited number of users access to such existing services. The EMSS contract expires in October 2018, although based on federal acquisition regulations, the government has the ability to unilaterally extend for an additional six months. We have begun discussions with the U.S. government on a new EMSS contract, which we expect to enter into later in 2018 or in 2019.

Subscriber Equipment Revenue

Subscriber equipment revenue increased by $7.0 million, or 37%, for the three months ended June 30, 2018 compared to the prior year period. This increase was primarily due to an increase in volume of handset sales.

We expect our full year subscriber equipment revenue for 2018 to exceed the prior year.

Engineering and Support Service Revenue

	Three Months Ended June 30,		
	2018	2017	Change
	(Revenue in millions)		
Commercial	0.1	0.7	$ (0.6)
Government	5.0	5.4	(0.4)
Total	$ 5.1	$ 6.1	$ (1.0)

Engineering and support service revenue decreased by $1.0 million, or 17%, for the three months ended June 30, 2018 compared to the prior year period, primarily as a result of decreased volume of contracted work.

Operating Expenses

Cost of Services (exclusive of depreciation and amortization)

Cost of services (exclusive of depreciation and amortization) includes the cost of network engineering and operations staff, including contractors, software maintenance, product support services and cost of services for government and commercial engineering and support service revenue.

Cost of services (exclusive of depreciation and amortization) increased by $1.3 million, or 6%, for the three months ended June 30, 2018 from the prior year period, primarily as a result of in-orbit insurance costs from Iridium NEXT satellites placed into service during 2017 and through the first half of 2018.

We expect our in-orbit insurance expenses to remain consistent through 2018 as we place Iridium NEXT satellites into service throughout the launch campaign, which we expect to complete in 2018.

Cost of Subscriber Equipment

Cost of subscriber equipment includes the direct costs of equipment sold, which consist of manufacturing costs, allocation of overhead, and warranty costs.

Cost of subscriber equipment increased by $4.8 million, or 44%, for the three months ended June 30, 2018 compared to the prior year period primarily due to increased subscriber equipment revenue primarily from increased volume of handset sales and increased costs related to our Iridium Certus℠ product.

Research and Development

Research and development expenses increased by $2.6 million, or 85%, for the three months ended June 30, 2018 compared to the prior year period due to increased spend on the development of Iridium Certus℠ broadband to expand functionality on our Iridium NEXT satellites.

Selling, General and Administrative

Selling, general and administrative expenses that are not directly attributable to the sale of services or products include sales and marketing costs as well as employee-related expenses (such as salaries, wages, and benefits), legal, finance, information technology, facilities, billing and customer care expenses.

Selling, general and administrative expenses increased by $3.9 million, or 19%, for the three months ended June 30, 2018 compared to the prior year period, primarily due to an increase in employee-related expenses and professional fees, including an increase in stock appreciation rights expense resulting from an increase in the share price of our common stock.

Depreciation and Amortization

Depreciation and amortization expense increased by $30.3 million, or 150%, for the three months ended June 30, 2018 compared to the prior year period, primarily due to the Iridium NEXT satellites placed into service during 2017 and through the first half of 2018.

Other Expense

Interest Expense

Interest expense for the three months ended June 30, 2018 was $13.0 million, compared to interest income of $0.8 million for the prior year period. The increase in interest expense is primarily related to a decrease in the credit facility interest being capitalized as the average balance of satellites in construction has decreased as satellites are launched and placed into orbit.

Income Tax Expense

For the three months ended June 30, 2018, our income tax expense was $7.8 million, compared to $11.7 million for the prior year period. The decrease in income tax expense is primarily related to a decrease in net income before income taxes and the lower Federal corporate tax rate as a result of the Tax Cuts and Jobs Act of 2017, or the Tax Act, compared to the prior year. This decrease is partially offset by a decrease in the state tax benefit in the current year compared to the prior year which primarily consists of a nonrecurring adjustment to our deferred tax assets and liabilities related to a Maryland law change enacted in the current period. See "Income Taxes" in Note 10 to our financial statements included in this report for more detail on our assessment of the Tax Act.

In April 2018, Maryland enacted the single sales factor method for apportioning income to the state to be phased in over five years commencing in 2018. This change results in higher future Maryland taxes increasing our year-to-date income tax provision by $8.7 million for the impact on our existing deferred tax assets and liabilities. The current period tax provision also includes the impact of this law change on the deferred tax assets and liabilities expected to be generated during the year. If our current estimates change in future periods, the impact on the deferred tax assets and liabilities may change correspondingly.

Net Income (Loss)

Net loss was $4.4 million for the three months ended June 30, 2018, compared to net income of $24.8 million for the prior year period, primarily resulting from the $30.3 million increase in depreciation and amortization expense, the $12.4 million increase in other operating expenses and the $13.8 million increase in interest expense, net, as described above, partially offset by the $23.3 million increase in total revenues and the $3.9 million decrease in income tax expense as described above.

Comparison of Our Results of Operations for the Six Months Ended June 30, 2018 and 2017

	Six Months Ended June 30,				Change	
($ in thousands)	**2018**	**% of Total Revenue**	**2017**	**% of Total Revenue**	**Dollars**	**Percent**
Revenue:						
Services	$ 193,708	76 %	$ 168,396	78 %	$ 25,312	15 %
Subscriber equipment	51,647	20 %	35,958	17 %	15,689	44 %
Engineering and support services	8,724	4 %	11,676	5 %	(2,952)	(25)%
Total revenue	254,079	100 %	216,030	100 %	38,049	18 %
Operating expenses:						
Cost of services (exclusive of depreciation and amortization)	41,596	16 %	38,326	18 %	3,270	9 %
Cost of subscriber equipment	30,833	12 %	20,972	10 %	9,861	47 %
Research and development	10,149	4 %	6,241	3 %	3,908	63 %
Selling, general and administrative	46,761	18 %	39,628	18 %	7,133	18 %
Depreciation and amortization	88,956	35 %	33,708	16 %	55,248	164 %
Total operating expenses	218,295	85 %	138,875	65 %	79,420	57 %
Gain on Boeing transaction	—	— %	14,189	7 %	(14,189)	(100)%
Operating income	35,784	15 %	91,344	42 %	(55,560)	(61)%
Other income (expense):						
Interest income (expense), net	(17,150)	(7)%	1,665	1 %	(18,815)	(1,130)%
Other income (expense), net	102	— %	(143)	— %	245	(171)%
Total other income (expense), net	(17,048)	(7)%	1,522	1 %	(18,570)	(1,220)%
Income before income taxes	18,736	8 %	92,866	43 %	(74,130)	(80)%
Income tax expense	(11,682)	(5)%	(30,140)	(14)%	18,458	(61)%
Net income	$ 7,054	3 %	$ 62,726	29 %	$ (55,672)	(89)%

Revenue

Commercial Service Revenue

	Six Months Ended June 30,								
	2018			2017			Change		
	Revenue	Billable Subscribers [1]	ARPU [2]	Revenue	Billable Subscribers [1]	ARPU [2]	Revenue	Billable Subscribers	ARPU
	(Revenue in millions and subscribers in thousands)								
Commercial voice and data	$ 92.5	364	$ 43	$ 85.8	360	$ 40	$ 6.7	4	$ 3
Commercial IoT data	40.6	576	12	35.5	461	14	5.1	115	(2)
Hosted payload and other data services	16.6	N/A		3.1	N/A		13.5	N/A	
Total Commercial	$ 149.7	940		$ 124.4	821		$ 25.3	119	

[1] Billable subscriber numbers shown are at the end of the respective period.

[2] Average monthly revenue per unit, or ARPU, is calculated by dividing revenue in the respective period by the average of the number of billable subscribers at the beginning of the period and the number of billable subscribers at the end of the period and then dividing the result by the number of months in the period. Billable subscriber and ARPU data is not applicable for hosted payload and other data service revenue items.

For the six months ended June 30, 2018, commercial voice and data revenue increased by $6.7 million, or 8%, from the prior year period principally due to an increase in average revenue per unit resulting from certain price increases in access fees and growth in Iridium OpenPort® subscribers.

For the six months ended June 30, 2018, commercial IoT data revenue increased by $5.1 million, or 15%, from the prior year period primarily due to a 25% increase in commercial IoT data billable subscribers.

Hosted payload and other data service revenue increased by $13.5 million, or 435%, from the prior year primarily due to increased revenue recognition from hosting services related to Aireon, increased data services due to an increase in the number of Iridium NEXT satellites in orbit and increased satellite timing and location services.

We anticipate continued growth in billable commercial subscribers for the remainder of 2018.

Government Service Revenue

	Six Months Ended June 30,					
	2018		2017		Change	
	Revenue	Billable Subscribers [1]	Revenue	Billable Subscribers [1]	Revenue	Billable Subscribers
	(Revenue in millions and subscribers in thousands)					
Government service revenue	$ 44.0	107	$ 44.0	92	$ —	15

[1] Billable subscriber numbers shown are at the end of the respective period.

We provide Iridium airtime and airtime support to U.S. government and other authorized customers pursuant to a five-year EMSS contract executed in October 2013 and managed by DISA. Under the terms of this agreement, authorized customers utilize certain Iridium airtime services provided through the U.S. Department of Defense's, or DoD's, dedicated gateway. These services include unlimited global secure and unsecure voice, low and high-speed data, paging, broadcast, and Distributed Tactical Communications System, or DTCS, services for an unlimited number of DoD and other federal subscribers. The service fee under the EMSS contract is fixed at $88 million per year for the remainder of the term, and is not based on subscribers or usage, allowing an unlimited number of users access to such existing services. The EMSS contract expires in October 2018, although based on federal acquisition regulations, the government has the ability to unilaterally extend for an additional six months. We have begun discussions with the U.S. government on a new EMSS contract, which we expect to enter into later in 2018 or in 2019.

Subscriber Equipment Revenue

Subscriber equipment revenue increased by $15.7 million, or 44%, for the six months ended June 30, 2018 compared to the prior year period. This increase was primarily due to an increase in volume of handset sales.

We expect our full year subscriber equipment revenue for 2018 to exceed the prior year.

Engineering and Support Service Revenue

	Six Months Ended June 30,		
	2018	2017	Change
	(Revenue in millions)		
Commercial	$ 0.2	$ 1.2	$ (1.0)
Government	8.5	10.5	(2.0)
Total	$ 8.7	$ 11.7	$ (3.0)

Engineering and support service revenue decreased by $3.0 million, or 25%, for the six months ended June 30, 2018 compared to the prior year period primarily as a result of a decrease in the volume of contracts with the government.

Operating Expenses

Cost of Services (exclusive of depreciation and amortization)

Cost of services (exclusive of depreciation and amortization) increased by $3.3 million, or 9%, for the six months ended June 30, 2018 from the prior year period, primarily as a result of in-orbit insurance costs from Iridium NEXT satellites placed into service during 2017 and through the first half of 2018. The increase was partially offset by a decrease in volume of engineering costs associated with government contracts.

We expect our in-orbit insurance expenses to remain consistent through 2018 as we place Iridium NEXT satellites into service throughout the launch campaign, which we expect to complete in 2018.

Cost of Subscriber Equipment

Cost of subscriber equipment increased by $9.9 million, or 47%, for the six months ended June 30, 2018 compared to the prior year period primarily due to increased subscriber equipment revenue from increased volume of handset sales and increased costs related to our Iridium Certus℠ product.

Research and Development

Research and development expenses increased by $3.9 million, or 63%, for the six months ended June 30, 2018 compared to the prior year period due to increased spend on the development of Iridium Certus℠ broadband to expand functionality on our Iridium NEXT satellites.

Selling, General and Administrative

Selling, general and administrative expenses increased by $7.1 million, or 18%, for the six months ended June 30, 2018 compared to the prior year period, primarily due to an increase in employee-related expenses and professional fees, as well as an increase in stock appreciation rights expense resulting from an increase in the share price of our common stock.

Depreciation and Amortization

Depreciation and amortization expense increased by $55.2 million, or 164%, for the six months ended June 30, 2018 compared to the prior year period, primarily due to the Iridium NEXT satellites placed into service during 2017 and during the first half of 2018.

Gain on Boeing Transaction

On January 3, 2017, we hired the majority of Boeing employees and third party contractors who were responsible for the operations and maintenance of our satellite constellation and ground infrastructure pursuant to an Insourcing Agreement with Boeing. As a result, we and Boeing terminated our previous Operations and Maintenance Agreement, or O&M Agreement, and our previous Iridium NEXT Support Service Agreement and entered into a new Development Services Agreement, or DSA, with a $6.0 million annual take-or-pay commitment through 2021.

In the first quarter of 2017, we recognized a $14.2 million gain consisting of (i) the derecognition of a purchase accounting liability of $11.0 million created when GHL Acquisition Corp. acquired Iridium in 2009 related to the fair value of the contractual arrangement with Boeing as of that date and (ii) the remainder of a credit, equal to $3.2 million, resulting from an O&M Agreement amendment in July 2010.

Other Expense

Interest Expense

Interest expense for the six months ended June 30, 2018 was $17.2 million, compared to interest income of $1.7 million for the prior year period. The increase is primarily related to less interest from the credit facility being capitalized as the average balance of satellites in construction has decreased as satellites are launched and placed into orbit. Additional interest expense was incurred as a result of the prepayment of the Thales bills of exchange during the six months ended June 30, 2018, which resulted in a $4.0 million loss on extinguishment of debt, representing premiums paid and the write-off of unamortized debt issuance costs. There was no loss on extinguishment of debt recorded for the six months ended June 30, 2017.

Income Tax Expense

For the six months ended June 30, 2018, our income tax expense was $11.7 million, compared to income tax expense of $30.1 million for the prior year period. The decrease in income tax expense is primarily related to a decrease in our income before income taxes and the lower Federal corporate tax rate as a result of the Tax Act compared to the prior year. This decrease is partially offset by a decrease in the state tax benefit in the current year compared to the prior year which primarily consists of a nonrecurring adjustment to our deferred tax assets and liabilities related to a Maryland law change enacted in the current period. See "Income Taxes" in Note 10 to our financial statements included in this report for more detail on our assessment of the Tax Act.

In April 2018, Maryland enacted the single sales factor method for apportioning income to the state to be phased in over five years commencing in 2018. This change results in higher future Maryland taxes increasing our year-to-date income tax provision by $8.7 million for the impact on its existing deferred tax assets and liabilities. The current period tax provision also includes the impact of this law change on the deferred tax assets and liabilities expected to be generated during the year. If our current estimates change in future periods, the impact on the deferred tax assets and liabilities may change correspondingly.

Net Income

Net income was $7.1 million for the six months ended June 30, 2018, compared to net income of $62.7 million for the prior year period. This decrease in net income was primarily the result of the $55.2 million increase in depreciation and amortization expense, $24.2 million increase in other operating expenses, $18.8 million increase in interest expense and the $14.2 million gain from the Boeing Insourcing Agreement in 2017 as described above, partially offset by the $38.0 million increase in revenue and the $18.5 million decrease in income tax expense as described above.

Liquidity and Capital Resources

As of June 30, 2018, our total cash and cash equivalents balance was $176.1 million, and our marketable securities balance was $199.8 million. Our principal sources of liquidity are cash, cash equivalents and marketable securities on hand, as well as internally generated cash flows, including contracted cash flows from hosted payloads. Our principal liquidity requirements over the next twelve months are to meet capital expenditure needs, principally the continued deployment of Iridium NEXT, as well as for working capital, interest on the Credit Facility and the Notes, and principal payments on the Credit Facility.

We estimate the aggregate costs associated with the design, build and launch of Iridium NEXT and related infrastructure upgrades through 2018 to be approximately $3 billion. Our funding plan for these costs includes the substantial majority of the funds under our $1.8 billion Credit Facility, which was fully drawn as of February 2017, together with cash on hand and internally generated cash flows, including cash flows from hosted payloads. Now that our Credit Facility is fully drawn, we expect to pay 100% of each remaining invoice received from Thales and all principal and interest payments due under the Credit Facility and the Notes from cash, cash equivalents and marketable securities on hand, and internally generated cash flows, including cash flows from hosted payloads.

On March 21, 2018, we issued $360.0 million in senior unsecured notes, or the Notes, including $9.5 million of deferred financing costs, for a net balance of $350.5 million in borrowings from the Notes. The Notes bear interest at 10.25% per annum and mature on April 15, 2023. Interest is payable semi-annually on April 15 and October 15, beginning on October 15, 2018, and principal is repaid in full upon maturity. The proceeds of the Notes were used to prepay the outstanding deferred Thales bills of exchange of approximately $59.9 million issued pursuant to the Thales FSD, replenish the debt service reserve account, or DSRA, under the Credit Facility to $189.0 million, and is also being used to pay approximately $44.4 million in Thales milestones previously expected to be satisfied by the issuance of bills of exchange. The proceeds of the Notes also provided us with sufficient cash to meet our needs, including principal and interest payments under our Credit Facility. The Notes contain covenant requirements that apply to certain permitted financing actions, and are no more restrictive than the covenants in the Credit Facility. We were in compliance with all covenants under the Notes as of June 30, 2018.

On March 9, 2018, we amended and restated our Credit Facility by a supplemental agreement, which was effective upon the issuance of the Notes. As amended and restated, the Credit Facility allowed us to issue the Notes and (i) delayed a portion of the

principal repayments scheduled under the Credit Facility for 2018, 2019 and 2020 into 2023 and 2024 pursuant to an amended repayment installment schedule, (ii) after funding of the DSRA back to $189.0 million, allows us access to up to $87.0 million from the DSRA under the Credit Facility in the future if our projected cash level falls below $75.0 million, and (iii) adjusted our financial covenants, including eliminating covenants that required us to receive cash flows from hosted payloads and adding a covenant that requires us to receive $200.0 million in hosting fees from Aireon by December 2023. Under the Credit Facility Amendment, in the event that (a) our cash balance exceeds $140.0 million after September 30, 2019 (subject to specified exceptions) or (b) we receive hosting fees from Aireon, we would be required to use 50% of such excess cash and up to $200.0 million of hosting fees to prepay the Credit Facility. In addition, if any Notes remain outstanding on October 15, 2022, which is six months prior to the scheduled maturity of the Notes, the maturity of all amounts remaining outstanding under the Credit Facility would be accelerated from September 30, 2024 to October 15, 2022.

Also on March 9, 2018, we entered into Amendment 32 to our FSD, pursuant to which we unwound the changes made in Amendment 29 which allowed for the deferral of certain milestone payments via bills of exchange totaling $100.0 million. Amendment 32 became effective on March 21, 2018 upon receipt of proceeds from the Notes. We utilized a portion of the proceeds from the Notes to prepay in full the $59.9 million due under the bills of exchange and will not utilize any new bills of exchange to defer future milestones under the FSD. In connection with the prepayment of the Thales bills of exchange, for the six months ended June 30, 2018, we recorded a $4.0 million loss on extinguishment of debt, included within interest expense, representing premiums paid and the write-off of unamortized debt issuance costs. There was no loss on extinguishment of debt recorded for the six months ended June 30, 2017.

On March 20, 2018, we converted all outstanding shares of our Series A Preferred Stock into shares of common stock, resulting in the issuance of approximately 10.6 million shares of common stock. In order to convert the Series A Preferred Stock, we declared and paid all current and cumulative dividends on our Series A Preferred Stock and Series B Preferred Stock in the amounts of $7.0 million and $8.4 million, respectively. In compliance with the Credit Facility, subsequent to the dividend payment, we began the planned suspension of dividends to holders of the Series B Preferred Stock for five quarters, beginning with the June 2018 dividend payment.

We believe our liquidity sources will provide sufficient funds for us to meet our liquidity requirements for at least the next 12 months.

As of June 30, 2018, we reported an aggregate total of $1,773.9 million in borrowings, including $94.2 million of deferred financing costs, for a net balance of $1,679.7 million in borrowings under the Credit Facility in our condensed consolidated balance sheet. Pursuant to the Credit Facility, we maintain the DSRA. As of June 30, 2018, the DSRA balance was $189.7 million, which is classified as restricted cash and cash equivalents in our condensed consolidated balance sheet. This amount includes a minimum cash reserve for debt service related to the Credit Facility as well as the interest earned on these amounts. In addition to the minimum debt service levels, financial covenants under the Credit Facility, as amended to date, include:

- an available cash balance of at least $25 million;
- a debt-to-equity ratio, which is calculated as the ratio of total net debt to the aggregate of total net debt and total stockholders' equity, of no more than 0.7 to 1, measured each June 30 and December 31;
- specified maximum levels of annual capital expenditures (excluding expenditures on the construction of Iridium NEXT satellites) through the year ending December 31, 2024;
- a debt service coverage ratio, measured during the repayment period, of not less than 1 to 1.5, measured each June 30 and December 31 through the year ending December 31, 2020, not less than 1 to 1.25 for June 30 and December 31, 2021, and not less than 1 to 1.5, for each June 30 and December 31 thereafter through 2024;
- specified maximum leverage levels during the repayment period that decline from a ratio of 8.77 to 1 for the twelve months ended June 30, 2018 to a ratio of 2.00 to 1 for the twelve months ending December 31, 2024; and
- a requirement that we receive at least $200.0 million in hosting fees from Aireon by December 31, 2023.

Our available cash balance, as defined by the Credit Facility, was $375.9 million as of June 30, 2018. Our debt-to-equity ratio was 0.52 to 1 as of June 30, 2018. Our debt service coverage ratio was 3.6 as of June 30, 2018, and our leverage was 6.2 to 1 for the twelve months ending June 30, 2018. We were also in compliance with the annual capital expenditures covenant as of December 31, 2017, the last point at which it was required to be measured.

The covenant regarding capital expenditures is calculated in connection with a measurement, which we refer to as available cure amount, that is derived using a complex calculation based on overall cash flows, as adjusted by numerous measures

specified in the Credit Facility. In a period in which our capital expenditures exceed the amount specified in the respective covenant, we would be permitted to allocate available cure amount, if any, to prevent a breach of the applicable covenant. As of June 30, 2018, the last point at which it was measured, we had an available cure amount of $19.3 million, although it was not necessary for us to apply any available cure amount to maintain compliance with the covenants. The available cure amount has fluctuated significantly from one measurement period to the next, and we expect that it will continue to do so.

The covenants also place limitations on our ability and that of our subsidiaries to carry out mergers and acquisitions, dispose of assets, grant security interests, declare, make or pay dividends, enter into transactions with affiliates, incur additional indebtedness, or make loans, guarantees or indemnities. If we are not in compliance with the financial covenants under the Credit Facility, after any opportunity to cure such non-compliance, or we otherwise experience an event of default under the Credit Facility, the lenders may require repayment in full of all principal and interest outstanding under the Credit Facility. It is unlikely we would have adequate funds to repay such amounts prior to the scheduled maturity of the Credit Facility. If we fail to repay such amounts, the lenders may foreclose on the assets we have pledged under the Credit Facility, which include substantially all of our assets and those of our domestic subsidiaries. The covenants under the Notes are no more restrictive than the covenants under the Credit Facility.

Cash Flows

The following table summarizes our cash flows:

	Six Months Ended June 30,		
	2018	2017	Change
	(in thousands)		
Cash provided by operating activities	$ 141,088	$ 119,866	$ 21,222
Cash used in investing activities	$ (403,058)	$ (150,271)	$ (252,787)
Cash provided by financing activities	$ 239,550	$ 16,634	$ 222,916

Cash Flows from Operating Activities

Net cash provided by operating activities for the six months ended June 30, 2018 increased by $21.2 million from the prior year period principally due to working capital requirements primarily related to interest.

Cash Flows from Investing Activities

Net cash used in investing activities for the six months ended June 30, 2018 increased by $252.8 million compared to the prior year period primarily due to an increase in net purchases of marketable securities and an increase in capital expenditures related to the timing of payments of our Iridium NEXT construction.

Cash Flows from Financing Activities

Net cash provided by financing activities for the six months ended June 30, 2018 increased by $222.9 million from the prior year period primarily due to the issuance of the Notes, offset in part by the related deferred financing fees, extinguishment of the Thales bills of exchange, principal repayments on the Credit Facility and the payment of cumulative preferred dividends as described above.

Off-Balance Sheet Arrangements

We do not currently have, nor have we had in the last three years, any relationships with unconsolidated entities or financial partnerships, such as entities referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Seasonality

Our results of operations have been subject to seasonal usage changes for commercial customers, and our results will be affected by similar seasonality going forward. March through October are typically the peak months for commercial voice services revenue and related subscriber equipment sales. U.S. government revenue and commercial IoT revenue have been less subject to seasonal usage changes.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations is based upon our condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. The preparation of these financial statements requires the use of estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. On an

ongoing basis, we evaluate our estimates, including those related to revenue recognition, collectability of accounts receivable, useful lives of property and equipment, long-lived assets and other intangible assets, inventory, internally developed software, deferred financing costs, asset retirement obligations, income taxes, stock-based compensation, warranty expenses, loss contingencies, and other estimates. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. Except as described in Note 9 to our financial statements with respect to revenue recognition, there have been no changes to our critical accounting policies from those described in our Annual Report on Form 10-K for the year ended December 31, 2017.

Recent Accounting Pronouncements

Refer to Note 2 to our condensed consolidated financial statements for a full description of recent accounting pronouncements and recently adopted pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The fixed price under the FSD with Thales is denominated in U.S. dollars. As a result, we do not bear any foreign currency exchange risk under the FSD.

We have borrowed an aggregate $1.8 billion under the Credit Facility as of June 30, 2018. A portion of the draws we made under the Credit Facility bear interest at a floating rate equal to the London Interbank Offered Rate, or LIBOR, plus 1.95% and will, accordingly, subject us to interest rate fluctuations in future periods. Based on the average outstanding borrowings under the Credit Facility for the three months ended June 30, 2018, a one-half percentage point increase or decrease in the LIBOR would not have had a material impact on our interest cost for the period.

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash and cash equivalents, marketable securities, accounts receivable and accounts payable. At times we maintain cash and cash equivalent deposit balances in excess of Federal Deposit Insurance Corporation limits, and we may have marketable securities balances in excess of Securities Investment Protection Corporation limits. However, we maintain our cash, cash equivalents and marketable securities with financial institutions with high credit ratings. The majority of our cash is swept nightly into funds that invest in or are collateralized by U.S. government-backed securities. We invest in marketable securities consisting of U.S. treasury notes, fixed income debt instruments and commercial paper debt instruments with fixed interest rates and maturity dates within one year of original purchase. Due to the credit quality and nature of these debt instruments, we do not believe there has been a significant change in our market risk exposure since December 31, 2017. Accounts receivable are due from both domestic and international customers. We perform credit evaluations of our customers' financial condition and record reserves to provide for estimated credit losses. Accounts payable are owed to both domestic and international vendors.

We also currently hold marketable securities consisting of commercial paper and fixed-income debt securities. As of June 30, 2018, a 100 basis point change in interest rates would not have had a material impact on the fair value of our marketable securities.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our chief executive officer, who is our principal executive officer, and our chief financial officer, who is our principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as of the end of the period covered by this report. In evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs. In addition, the design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a control system, misstatements due to error or fraud may occur and not be detected.

Based on this evaluation, our chief executive officer and our chief financial officer concluded that our disclosure controls and procedures were effective, as of the end of the period covered by this report, to provide reasonable assurance that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms, and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

During the quarter ended June 30, 2018, there were no changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II.

OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 1A. RISK FACTORS.

Our business is subject to risks and events that, if they occur, could adversely affect our financial condition and results of operations and the trading price of our securities. In addition to the other information set forth in this quarterly report on Form 10-Q, you should carefully consider the factors described in "Part I, Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the Securities and Exchange Commission on February 22, 2018, as supplemented by the following updated risk factors.

We have a considerable amount of debt which may limit our ability to fulfill our obligations and/or to obtain additional financing.

As of June 30, 2018, we had $2,133.9 million of consolidated indebtedness on an actual basis, consisting of $1,773.9 million of indebtedness outstanding under the Credit Facility and $360.0 million of indebtedness outstanding under the Notes.

Our capital structure can have several important consequences, including, but not limited to, the following:

- If future cash flows are insufficient, we may not be able to make principal or interest payments on our debt obligations, which could result in the occurrence of an event of default under one or more of those debt instruments.
- Our leverage level could increase our vulnerability to adverse economic and industry conditions.
- Our indebtedness could require us to dedicate a substantial portion of our cash flow from operations to payments on our debt (including scheduled principal repayments on the outstanding borrowings under the Credit Facility), thereby reducing the availability of our cash flow for operations and other purposes.
- Our leverage level could make it more difficult for us to satisfy our obligations to our lenders, resulting in possible defaults on and acceleration of such indebtedness.
- Our leverage level could place us at a competitive disadvantage compared to any competitors that have less debt or comparable debt at more favorable interest rates and that, as a result, may be better positioned to withstand economic downturns.
- We may need to increase our indebtedness in order to make our capital expenditures and other expenses or investments planned by us.
- Our consolidated indebtedness has the general effect of reducing our flexibility to react to changing business and economic conditions insofar as they affect our financial condition. The interest rates at which we might secure additional financings may be higher than our currently outstanding debt instruments or higher than forecasted at any point in time, which could adversely affect our business, financial condition, results of operations and cash flows.
- Market conditions could affect our access to capital markets, restrict our ability to secure financing to make the capital expenditures and investments and pay other expenses planned by us which could adversely affect our business, financial condition, cash flows and results of operations.

Further, despite our substantial levels of indebtedness, we and our subsidiaries may have the ability to incur substantially more indebtedness, which could further intensify the risks described above.

If we do not generate sufficient cash flows, we may be unable to service all of our indebtedness.

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash, make scheduled payments or to refinance our debt obligations depends on our successful financial and operating performance, which may be affected by a range of economic, competitive and business factors, many of which are outside of our control and some of which are described in the "Risk Factors" sections of our Form 10-K and this Quarterly Report.

If our cash flow and capital resources are insufficient to fund our debt service obligations or to repay the Credit Facility when it matures or the Notes when they mature, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets or operations, reducing or delaying capital investments, or seeking to raise additional capital. We may not be able to refinance our debt, or any refinancing of our debt could be at higher interest rates and may require us to comply with more restrictive covenants that could further restrict our business operations. Our ability to implement successfully any such alternative financing plans will depend on a range of factors, including general economic conditions, the level of activity in mergers and acquisitions and capital markets generally, and the terms of our various debt instruments then in effect.

The indenture governing the Notes and the Credit Facility contain cross-default or cross-acceleration provisions that may cause all of the debt issued under those instruments to become immediately due and payable because of a default under an unrelated debt instrument.

Our failure to comply with the obligations contained in the indenture governing the Notes, the Credit Facility or other instruments governing our indebtedness could result in an event of default under the applicable instrument, which could result in the related debt and the debt issued under other instruments (together with accrued and unpaid interest and other fees) becoming immediately due and payable. In such event, we would need to raise funds from alternative sources, which funds may not be available to us on favorable terms, on a timely basis or at all. Alternatively, such a default could require us to sell our assets and otherwise curtail our operations in order to pay our creditors. These alternative measures could have a material adverse effect on our business, financial position, results of operations and/or cash flows, which could cause us to become bankrupt or insolvent or otherwise impair our ability to make payments in respect of our indebtedness.

Certain provisions in the Credit Facility and in the indenture governing the Notes limit our financial and operating flexibility.

The Credit Facility and the indenture governing the Notes contain numerous financial and operating covenants that place significant restrictions on, among other things, our ability to:

- make capital expenditures;
- carry out mergers and acquisitions;
- dispose of, or grant liens on, our assets;
- enter into transactions with our affiliates;
- pay dividends or make distributions to our stockholders;
- incur indebtedness;
- prepay indebtedness; and
- make loans, guarantees or indemnities.

Our Credit Facility also requires us to meet certain financial ratios, such as maintaining a debt-to-equity ratio and debt service coverage ratio, and specifies minimum available cash balances, maximum levels of annual capital expenditures, and maximum leverage levels. Our ability to comply with these and other requirements and restrictions may be affected by changes in economic or business conditions, results of operations or other events beyond our control. A failure to comply with the obligations contained in any of the instruments governing our consolidated indebtedness could impair our ability to make payments owed and result in acceleration of related debt and the acceleration of debt under other instruments evidencing indebtedness that may contain cross-acceleration or cross-default provisions.

The Credit Facility also prohibits us from paying dividends to holders of our Series B Preferred Stock for a period of five quarters and at any point beyond that, if we are unable to certify that we anticipate being able to comply with the financial covenants of the Credit Facility for the next twelve months each time we declare a dividend. If we are unable to make that certification, we will not be able to pay the dividends on our outstanding preferred stock. As required by our amended Credit Facility, we announced a five-quarter deferral of dividends on the Series B Preferred Stock beginning with the dividends due June 15, 2018. If we do not pay dividends on our preferred stock for six quarterly periods (whether or not consecutive), the holders of the Series B Preferred Stock will have the power to elect two members of our board of directors. The interests of the holders of our preferred stock may differ from those of our other stockholders. In addition, any dividend we fail to pay will accrue, and the holders of our Series B Preferred Stock will be entitled to a preferential distribution of the original purchase

price per share plus all accrued and unpaid dividends before any distribution may be made to holders of our common stock in connection with any liquidation event. Complying with these restrictions may make it more difficult for us to successfully execute our business plan and compete against companies who are not subject to such restrictions.

Adverse changes in our credit ratings or withdrawal of the ratings assigned to our debt securities by rating agencies may negatively affect us.

Our ability to access capital markets is important to our ability to operate our business. Increased scrutiny of the satellite industry and the impact of regulation, as well as changes in our financial performance and unfavorable conditions in the capital markets could result in credit agencies reexamining our credit ratings. A downgrade in our credit ratings could restrict or discontinue our ability to access capital markets at attractive rates and increase our borrowing costs. Furthermore, any rating assigned could be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Any future lowering of our ratings likely would make it more difficult or more expensive for us to obtain additional debt financing.

We may be unable to offer one or more services in important regions of the world due to regulatory requirements, which could limit our growth.

While our constellation is capable of providing service globally, our ability to sell one or more types of service in some regions may be limited by local regulations. Some countries have specific regulatory requirements such as local domestic ownership requirements or requirements for physical gateways within their jurisdiction to connect traffic coming to and from their territory. In some countries, we may not be able to find an acceptable local partner or reach an agreement to develop additional gateways, or the cost of developing and deploying such gateways may be prohibitive, which could impair our ability to expand our product and service offerings in such areas and undermine our value for potential users who require service in these areas. Also, other countries where we already provide service may impose similar requirements in the future, which could restrict our ability to continue to sell service in those countries. The inability to offer to sell our products and services in all major international markets could impair our international growth. In addition, the construction of such gateways in foreign countries may trigger and require us to comply with various U.S. regulatory requirements that could conflict with or contravene the laws or regulations of the local jurisdiction. Any of these developments could limit, delay or otherwise interfere with our ability to construct gateways or other infrastructure or network solutions around the world.

Our ability to use our net operating loss carryforwards to offset future taxable income may be subject to certain limitations.

Our ability to utilize U.S. net operating loss carryforwards and other tax attributes may be limited if we experience an "ownership change" under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, which generally occurs if one or more stockholders or groups of stockholders who own at least 5% of our common stock increase their ownership in the aggregate by more than 50% over their lowest ownership percentage within a rolling period that begins on the later of three years prior to the testing date and the date of the last ownership change. Similar rules may apply under state tax laws. If an "ownership change" were to occur, Section 382 of the Code would impose an annual limit on the amount of pre-ownership change net operating loss carryforwards and other tax attributes we could use to reduce our taxable income. It is possible that such an ownership change could materially reduce our ability to use our net operating loss carryforwards or other tax attributes to offset taxable income, which could impact our profitability.

Changes in tax laws could increase our worldwide tax rate and materially affect our financial position and results of operations.

Recently enacted tax reform legislation, including the Tax Cuts and Jobs Act of 2017, or the "Tax Act", resulted in significant changes to the Code, including, among other things, significantly reducing the statutory corporate U.S. federal income tax rate, imposing limitations on the ability to deduct interest expense and net operating losses and making changes to the way a U.S. multinational company's foreign operations are taxed, including a one-time mandatory tax on deferred foreign earnings and the imposition of the "base erosion anti-abuse tax." The Securities and Exchange Commission issued Staff Accounting Bulletin No. 118, or SAB 118, to address the application of U.S. GAAP in situations when a registrant does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Tax Act. SAB 118 was effective for reporting periods that include December 22, 2017. Due to the timing of the enactment and the complexity involved in applying the provisions of the Tax Act, we made reasonable estimates of the anticipated effects of the Tax Act and recorded provisional amounts in our financial statements as of and for the year ended December 31, 2017. As we collect and prepare the necessary data, and interpret the Tax Act and any additional guidance issued by the U.S. Treasury Department, the IRS, and other standard-setting bodies, we may make adjustments to the provisional amounts. No such adjustments have been made for the three or six months ended June 30, 2018. These adjustments, if any, may materially impact our provision for income taxes and effective tax rate in the period in which

the adjustments are made. While not complete as of June 30, 2018, the accounting for the tax effects of the Tax Act is expected to be completed in 2018.

In addition, many U.S. states and foreign countries have adopted or proposed changes to current tax laws. Further, organizations such as the Organization for Economic Cooperation and Development have published action plans that, if adopted by countries where we do business, could increase our tax obligations in these countries. Due to our U.S. and international business activities, certain of these enacted and proposed changes to the taxation of our activities could increase our worldwide effective tax rate, which in turn could harm our financial position and results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

The following list of exhibits includes exhibits submitted with this Form 10-Q as filed with the Securities and Exchange Commission.

Exhibit	Description
10.1	Third Amended and Restated Limited Liability Company Agreement of Aireon LLC, between Aireon LLC; Iridium Satellite LLC; NAV CANADA; NAV CANADA Satellite, Inc.; Enav S.p.A.; ENAV North Atlantic LLC; Naviair; Naviair Surveillance A/S; Irish Aviation Authority Limited; and NATS, dated as of May 15, 2018.
31.1	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as adopted pursuant to section 302 of The Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as adopted pursuant to section 302 of The Sarbanes-Oxley Act of 2002.
32.1**	Certifications of Principal Executive Officer and Principal Financial Officer pursuant to Rules 13a-14(b) and 15d-14(b) promulgated under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to section 906 of The Sarbanes-Oxley Act of 2002.
101	The following financial information from the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, filed with the Securities and Exchange Commission on July 31, 2018, formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets at June 30, 2018 and December 31, 2017; (ii) Condensed Consolidated Statements of Operations and Comprehensive Income for the three and six months ended June 30, 2018 and 2017; (iii) Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2018 and 2017; and (iv) Notes to Condensed Consolidated Financial Statements.

** These certifications are being furnished solely to accompany this quarterly report pursuant to 18 U.S.C. Section 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

IRIDIUM COMMUNICATIONS INC.

By: /s/ Thomas J. Fitzpatrick

Thomas J. Fitzpatrick

Chief Financial Officer
(as duly authorized officer and as principal financial officer of the registrant)

Date: July 31, 2018

Exhibit 10.1

Execution Version

AIREON LLC
A DELAWARE LIMITED LIABILITY COMPANY

THIRD AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

Dated as of May 15, 2018

THE SECURITIES DESCRIBED IN THIS THIRD LIMITED LIABILITY COMPANY AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, NOR REGISTERED OR QUALIFIED UNDER ANY OTHER APPLICABLE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, DELIVERED AFTER SALE, TRANSFERRED, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF AT ANY TIME UNLESS REGISTERED AND QUALIFIED UNDER APPLICABLE FEDERAL AND STATE SECURITIES LAWS OR UNLESS, IN THE OPINION OF COUNSEL SATISFACTORY TO THE COMPANY, SUCH REGISTRATION AND QUALIFICATION IS NOT REQUIRED. ANY TRANSFER OF THE SECURITIES DESCRIBED IN THIS AGREEMENT IS FURTHER SUBJECT TO OTHER RESTRICTIONS, THE TERMS AND CONDITIONS OF WHICH ARE SET FORTH IN THIS AGREEMENT.

NO ACTION HAS BEEN OR WILL BE TAKEN IN ANY JURISDICTION OUTSIDE THE UNITED STATES OF AMERICA THAT WOULD PERMIT AN OFFERING OF THE INTERESTS, OR POSSESSION OR DISTRIBUTION OF OFFERING MATERIALS IN CONNECTION WITH THE ISSUANCE OF THESE INTERESTS, IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. IT IS THE RESPONSIBILITY OF ANY PERSON WISHING TO PURCHASE ANY OF THESE INTERESTS TO SATISFY HIMSELF, HERSELF OR ITSELF AS TO FULL OBSERVANCE OF THE LAWS OR REGULATIONS OF ANY RELEVANT TERRITORY OUTSIDE THE UNITED STATES OF AMERICA IN CONNECTION WITH ANY SUCH PURCHASE, INCLUDING OBTAINING ANY REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER APPLICABLE FORMALITIES.

INTERESTS IN THE COMPANY ARE BEING OFFERED TO A LIMITED NUMBER OF INSTITUTIONAL AND SOPHISTICATED INVESTORS. PURSUANT TO SECTION 11 OF THE PROSPECTUS ORDER (MINISTERIAL ORDER NO. 1232 OF OCTOBER 22, 2007 ON THE PROSPECTUS REQUIREMENTS FOR OFFERINGS OF A VALUE ABOVE €2,500,000) ISSUED IN ACCORDANCE WITH SECTION 23(8) OF THE DANISH SECURITIES TRADING

ACT (CONSOLIDATED ACT NO. 214 OF APRIL 2, 2008) THE FOLLOWING TYPES OF OFFERINGS ARE EXEMPTED FROM PROSPECTUS REGISTRATION REQUIREMENTS:

(A) OFFERINGS TO ACCREDITED INVESTORS;

(B) OFFERINGS TO NON-ACCREDITED INVESTORS IF THE OFFER IS DIRECTED AT FEWER THAN 100 PRIVATE OR LEGAL PERSONS IN DENMARK;

(C) OFFERINGS FOR WHICH THE VALUE OF EACH INTEREST EXCEEDS €50,000; OR

(D) OFFERINGS WHERE PARTICIPATION IS CONDITIONAL UPON PAYMENT OF MORE THAN €50,000 PER INVESTOR.

THIS LIMITED LIABILITY COMPANY AGREEMENT MAY ONLY BE DISTRIBUTED TO, AND THE OFFERING MAY ONLY BE SUBSCRIBED BY, INVESTORS THAT SATISFY ONE OR MORE OF THE CONDITIONS SET OUT ABOVE FROM (A) TO (D). ACCORDINGLY, THIS LIMITED LIABILITY COMPANY AGREEMENT HAS NOT BEEN AND WILL NOT BE REGISTERED WITH THE DANISH FINANCIAL SUPERVISORY AUTHORITY OR THE DANISH COMMERCE AND COMPANIES AGENCY UNDER THE RELEVANT DANISH ACTS AND REGULATIONS ON THE OFFERING IN DENMARK OF FUND INTERESTS.

THIS DOCUMENT AND THE INFORMATION CONTAINED HEREIN IS CONFIDENTIAL AND HAS BEEN PREPARED AND IS INTENDED FOR USE ON A CONFIDENTIAL BASIS SOLELY BY THOSE PERSONS IN THE UNITED KINGDOM AND IRELAND TO WHOM IT IS SENT. IT MAY NOT BE REPRODUCED, REDISTRIBUTED OR PASSED ON TO ANY OTHER PERSONS OR PUBLISHED IN WHOLE OR IN ANY PART FOR ANY PURPOSE. IT DOES NOT CONSTITUTE AN INVITATION TO THE PUBLIC IN THE UNITED KINGDOM AND IRELAND OR ANY SECTION THEREOF TO SUBSCRIBE FOR OR PURCHASE ANY SHARES OR OTHER SECURITIES IN ANY COMPANY AND ACCORDINGLY IS NOT A PROSPECTUS WITHIN THE MEANING OF THE PROSPECTUS DIRECTIVE REGULATIONS.

ANY OFFER CONTAINED IN THIS DOCUMENT IS BEING EXTENDED TO A SMALL NUMBER OF PERSONS RESIDENT IN THE UNITED KINGDOM AND THE REPUBLIC OF IRELAND BY WAY OF A PRIVATE PLACEMENT. NEITHER THIS DOCUMENT NOR SUCH OFFER CONSTITUTE AN INVITATION TO THE PUBLIC IN THE UNITED KINGDOM OR IRELAND OR ANY SECTION THEREOF TO SUBSCRIBE FOR OR PURCHASE INTERESTS AND ACCORDINGLY IS NOT A PROSPECTUS WITHIN THE MEANING OF THE PROSPECTUS DIRECTIVE REGULATIONS.

AIREON LLC IS NOT A UCITS FUND. IT HAS NOT BEEN NOR WILL IT BE REGISTERED WITH THE BANK OF ITALY AND THE COMMISSIONE NAZIONALE PER LE SOCIETÀ E LA BORSA (CONSOB). ITALIAN AUTHORITIES FOR REGISTRATION. THE

INTERESTS ARE OFFERED UPON THE EXPRESS REQUEST OF THE INVESTOR, WHO HAS DIRECTLY CONTACTED AIREON LLC OR ITS MEMBERS ON THE INVESTOR'S OWN INITIATIVE. NO ACTIVE MARKETING OF AIREON LLC HAS BEEN NOR WILL IT BE MADE IN ITALY AND THIS LIMITED LIABILITY COMPANY AGREEMENT HAS BEEN SENT TO THE INVESTOR AT THE INVESTOR'S REQUEST. THE INVESTOR ACKNOWLEDGES THE ABOVE AND HEREBY AGREES NOT TO TRANSFER ANY INTERESTS, NOR TO CIRCULATE THIS LIMITED LIABILITY COMPANY AGREEMENT TO OTHER ITALIAN INVESTORS UNLESS EXPRESSLY PERMITTED BY APPLICABLE LAW. THIS LIMITED LIABILITY COMPANY AGREEMENT AND OTHER OFFERING MATERIALS RELATING TO THE OFFER OF INTERESTS ARE STRICTLY CONFIDENTIAL AND MAY NOT BE DISTRIBUTED TO ANY PERSON OR ENTITY OTHER THAN THE RECIPIENTS HEREOF.

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Exhibit 10.1

Execution Version

THIRD AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF AIREON LLC (A DELAWARE LIMITED LIABILITY COMPANY)

This Third Amended and Restated Limited Liability Company Agreement (this "***Agreement***"), of Aireon LLC (the "***Company***"), is dated and effective as of May __, 2018 (the "***Third A&R Effective Date***"), by and among the Company, the Persons (as defined below) identified as the Members (as defined below) on the Member Register attached hereto as ***Schedule A***, in such Person's capacity as a member of the Company and each other Person who becomes a member of the Company in accordance with the terms of this Agreement (collectively, the "***Members***"), NAV CANADA, Enav S.p.A., Irish Aviation Authority, Naviair and NATS. This Agreement amends and restates the Second Amended and Restated Limited Liability Company Agreement of the Company (the "***Second Amended and Restated Agreement***") dated February 14, 2014 (the "***Second A&R Effective Date***") and amended by the six amendments thereto, which amended and restated that certain Amended and Restated Limited Liability Company Agreement of the Company dated November 19, 2012 (the "***A&R Effective Date***") and amended by that certain First Amendment dated as of June 27, 2013, which amended and restated that certain Limited Liability Company Agreement of the Company dated December 16, 2011 (the "***Effective Date***"). Upon execution of this Agreement by the parties set forth on the signature pages hereto, this Agreement shall replace the Second Amended and Restated Agreement in its entirety and the Second Amended and Restated Agreement shall be of no further force or effect. Any reference in this Agreement to a Member shall include such Member's successors and permitted assigns to the extent such successors and permitted assigns have become Additional Members in accordance with the provisions of this Agreement.

RECITALS

WHEREAS, Iridium Satellite LLC formed the Company as a limited liability company pursuant to the Delaware Limited Liability Company Act (the "***Act***"); and

WHEREAS, pursuant to Section 13.18 of the Second Amended and Restated Agreement, the Members of the Company desire to amend and restate the Second Amended and Restated Agreement in its entirety as set forth herein in order to admit the Members set forth on ***Schedule A***, set forth the ownership interests of the Members in the Company, the rights and obligations of the Members and the principles by which the Company will be operated and governed.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree that the Second Amended and Restated Agreement is hereby amended and restated in its entirety as follows:

ARTICLE 1
DEFINITIONS

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

"Accounting Firm" means Ernst & Young or such other internationally recognized independent public accounting firm as shall be agreed upon by the Board of Directors from time to time.

"Accounting Period" means (i) the Company's Fiscal Year if there are no changes in the Members' respective interests in Company income, gain, loss or deductions during such Fiscal Year except on the first day thereof or (ii) any other period beginning on the first day of a Fiscal Year, or any other day during a Fiscal Year, upon which occurs a change in such respective interests, and ending on the last day of a Fiscal Year, or on the day preceding an earlier day upon which any change in such respective interest shall occur.

"Accrued Dividend" means, (i) with respect to any Preferred Interest issued on or prior to the Third A&R Effective Date other than in connection with the Second NAV CANADA Tranche Financing, (A) prior to January 1, 2021, zero (0), and (B) on or after January 1, 2021, an amount that would have accrued if the total amount of Unreturned Capital attributable to such Preferred Interest had been accruing daily at the rate of five percent (5%) per annum, from (and including) the date of issuance of such Preferred Interest until (and including) the date on which such Preferred Interest is converted into Common Interest or redeemed with full payment of applicable Redemption Price by the Company, (ii) with respect to any Preferred Interest issued in connection with the Second NAV CANADA Tranche Financing, (A) prior to January 1, 2021, zero (0), and (B) on or after January 1, 2021, an amount that would have accrued if the total amount of Unreturned Capital attributable to such Preferred Interest had been accruing daily at the rate of ten percent (10%) per annum, from (and including) the date of issuance of such Preferred Interest until (and including) the date on which such Preferred Interest is converted into Common Interest or redeemed with full payment of applicable Redemption Price by the Company, and (iii) with respect to any Non-Voting Preferred Interest issued, an amount that would have accrued if the total amount of Unreturned Capital attributable to such Non-Voting Preferred Interest had been accruing daily at the rate to be determined by the Board of Directors and reflected in the applicable Addendum of Designation attached to this Agreement, from (and including) the date of issuance of such Non-Voting Preferred Interest and thereafter.

"Act" means the Delaware Limited Liability Company Act, and any successor statute, as amended from time to time.

"Addendum of Designation" means collectively or individually, any one or more addendums to this Agreement setting forth the rights and privileges of the holders of any series of Non-Voting Preferred Interests.

"Additional Investors" means collectively or individually, Enav, IAA, Naviair and NATS.

"Additional Investors Director" has the meaning given such term in Section 6.2.

"Additional Investors Subsidiary" means collectively or individually, Enav US Subsidiary, IAA US Subsidiary, the Naviair Subsidiary and the NATS US Subsidiary.

"Additional Member" means any Person who or which is admitted to the Company as an Additional Member pursuant to Section 5.12 of this Agreement, in such Person's capacity as a Member.

"Adjusted Capital Account" means, with respect to any Member, the balance, if any, in such Member's Capital Account as of the end of the relevant taxable year, after giving effect to the following adjustments:

(i) Credit to the Capital Account any amount which such Member is obligated to restore pursuant to the terms of this Agreement or is deemed obligated to restore pursuant to Treasury Regulations Sections 1.704-1(b)(2)(ii)(*c*), 1.704-2(g)(1) and 1.704-2(i); and

(ii) Debit to such Capital Account the items described in Treasury Regulations Section 1.704-1(b)(2)(ii)(*d*)*(4)*, *(5)* and *(6)*.

"ADS-B Payload" means the specially designed 1090 MHz Extended Squitter (1090 ES) ADS-B receiver payload to be hosted on the satellites in the Iridium NEXT Constellation.

"Affiliate" means, with respect to any Person, (i) any Person directly or indirectly controlling, controlled by or under common control with such Person, or (ii) any officer, director, general partner or trustee of such Person or any Person referred to in the foregoing clause (i). For purposes of this definition, "control," when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" means this Third Amended and Restated Limited Liability Company Agreement, as executed and as may be amended, modified, supplemented or restated from time to time in accordance with the terms hereof, as the context requires.

"Aireon Ground Segment" has the meaning given such term in the Data Transmission Service Agreement No. IS-12-034, dated as of November 19, 2012, by and between Iridium and the Company.

"Aireon System" means the Space-based ADS-B data reception and delivery system which uses ADS-B Payloads, the Iridium NEXT Constellation infrastructure and Aireon Ground Segment for delivery of ADS-B data to customers.

"Asset Transfer" has the meaning given such term in Section 6.12.1.3.

"A&R Effective Date" has the meaning given such term in the first paragraph of this Agreement.

"Available Cash" means all cash on hand of the Company, less the sum of the following (to the extent paid or set aside by the Board of Directors): (i) all cash expenditures incurred incident to the normal operation of the Company's business; (ii) such amounts set aside by the Board of Directors and deemed reasonably necessary for the proper operation of the Company's business, including for working capital and to pay taxes, insurance, capital expenditures (current and future), debt service or other costs or expenses incident to the ownership or operation of the Company's business; and (iii) financing proceeds, subject to (ii) above.

"BBA Amendments" has the meaning given such term in Section 9.3.2.

"Board of Directors" has the meaning given such term in Section 6.1.

"Book Value" means, with respect to any Company asset, the adjusted basis of such asset for federal income tax purposes, except as follows:

(i) The initial Book Value of any Company asset contributed by a Member to the Company shall be the gross fair market value of such Company asset as of the date of such contribution;

(ii) The Book Value of each Company asset shall be adjusted to equal its respective gross fair market value upon the following events:

a. the Mandatory Iridium Redemption, or any conversion of Preferred Interests into Common Interests pursuant to a Conversion Election, unless the Board of Directors determines (subject to Section 6.12.2.2) that such adjustment is not necessary to reflect the relative economic interests of the Members in the Company;

b. (A) except as set forth above, the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a *de minimis* Capital Contribution unless the Board of Directors determines that such adjustment is not necessary to reflect the relative economic interests of the Members in the Company; (B) the distribution by the Company to a Member of more than a *de minimis* amount of Company assets (other than cash) as consideration for all or parts of its Interests unless the Board of Directors determines that such adjustment is not necessary to reflect the relative economic interests of the Members in the Company; (C) the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(*g*); and (D) in connection with and at the time of a grant of an interest in the Company (other than a *de minimis* interest) as consideration for the provision of services to or for the benefit of the Company by an existing Member

acting in a Member capacity or by a new Member acting in a Member capacity or in anticipation of becoming a Member;

(iii) The Book Value of a Company asset distributed to any Member shall be the fair market value (taking into account Section 7701(g) of the Code) of such Company asset as of the date of distribution thereof;

(iv) The Book Value of each Company asset shall be increased or decreased, as the case may be, to reflect any adjustments to the adjusted basis of such Company asset pursuant to Section 734(b) or Section 743(b) of the Code, but only to the extent that such adjustments are taken into account in determining Capital Account balances pursuant to Treasury Regulations Sections §1.704-1(b)(2)(iv)(*m*); provided, that Book Values shall not be adjusted pursuant to this subparagraph (iv) to the extent that an adjustment pursuant to subparagraph (ii) above is made in conjunction with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (iv); and

(v) If the Book Value of a Company asset has been determined or adjusted

pursuant to subparagraphs (i), (ii), or (iv) above, such Book Value shall thereafter be adjusted to reflect the depreciation taken into account with respect to such Company asset for purposes of computing Net Income and Net Losses.

"Budget" means the 2018 budget of the Company attached hereto as Exhibit 2, as the same may be amended or replaced by a new budget of the Company approved or adopted by the Board of Directors in accordance with the terms hereof.

"Business Day" means any day other than a Saturday, Sunday or public holiday under the laws of the State of Delaware, the province of Ontario, Canada, Dublin, Ireland, Copenhagen, Denmark, Rome, Italy, London, England, or other day on which banking institutions are authorized or obligated to close in the State of Delaware, the province of Ontario, Canada, Dublin, Ireland, Copenhagen, Denmark, Rome, Italy, or London, England.

"Capital Account" has the meaning given such term in Section 3.2.

"Capital Contribution" means the aggregate contributions of cash made and the Book Value of any property contributed by a Member to the Company pursuant to Article 3 as of the date in question, as shown opposite such Member's name on the Member Register, as the same may be amended from time to time in accordance with the terms hereof.

"Certificate" means the Certificate of Formation filed with the Secretary of State of the State of Delaware on December 16, 2011.

"Code" means the Internal Revenue Code of 1986 and any successor statute, as amended from time to time.

"Common Interests" means Interests designated by the Board of Directors as "Common Interests," and shall include former Preferred Interests for which a Conversion Election has been made.

"Company" has the meaning set forth in the first paragraph of this Agreement.

"Company Officers" has the meaning given such term in Section 7.1.

"Conversion Election" has the meaning given such term in Section 5.4.1.

"Damages" has the meaning given such term in Section 8.2.2.

"Director" means each person designated as a Director of the Company pursuant to Article 6.

"Dissolution" has the meaning given such term in Section 10.1.1.

"Dollars" and **"$"** means dollars in lawful currency of the United States.

"Drag Along Buyer" has the meaning given such term in Section 12.3.

"Drag Along Holders" has the meaning given such term in Section 12.3.

"Drag Along Sale" has the meaning given such term in Section 12.3.

"Effective Date" has the meaning given such term in the first paragraph of this Agreement.

"Election Date" has the meaning given such term in Section 5.4.2.

"Enav" means Enav S.p.A.

"Enav Director" has the meaning given such term in Section 6.2.

"Enav US Subsidiary" means ENAV North Atlantic LLC, a Delaware corporation and wholly-owned subsidiary of Enav.

"Excluded Company" has the meaning given such term in the Iridium Credit Agreement.

"Fully Diluted Company Voting Interests" means as of any date of determination, the total amount of Voting Interests issued and outstanding on such date assuming the issuance of the total amount of all outstanding securities or obligations which are by their terms exercisable, convertible or exchangeable into Voting Interests. For purposes of this determination, all outstanding

Preferred Interests shall be deemed to be converted into Common Interests in accordance with the terms hereof.

"GAAP" means generally accepted accounting principles, consistently applied, as in effect from time to time in the United States.

"Hosting Cost Reimbursement Agreement" means that certain Hosting Cost Reimbursement Agreement No. IS-12-033 between the Company and Iridium dated as of November 19, 2012.

"Hosting Cost Reimbursements" has the meaning given such term in the Hosting Cost Reimbursement Agreement.

"IAA" means Irish Aviation Authority Limited.

"IAA/Naviair Director" has the meaning given such term in Section 6.2.

"IAA US Subsidiary" means IAA North Atlantic Inc., a Delaware corporation and wholly-owned subsidiary of IAA.

"Incapacity" or **"Incapacitated"** has the meaning given such term in Section 5.5.

"Indemnitee" has the meaning given such term in Section 8.2.2.

"Information Rights Holders" has the meaning given such term in Section 12.2.1.

"Insolvency Event" means any of the following: (i) the filing of any insolvency, reorganization case or proceeding to consolidate or merge the Company with or into Iridium or any of its Affiliates or sell all or substantially all of the Company's assets; (ii) instituting proceedings under any applicable insolvency law or to have the Company be adjudicated bankrupt or insolvent; (iii) seeking any relief under any law relating to relief from debts or the protection of debtors, or consent to the filing or the institution of bankruptcy or insolvency proceedings against the Company or file a petition seeking, or consent to, reorganization or relief with respect to the Company under any applicable federal or state law relating to bankruptcy or insolvency; or (iv) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian (or other similar official) of or for the Company or a substantial part of its property, or make any assignment for the benefit of creditors of the Company, or admit in writing the Company's inability to pay its debts generally as they become due, or take action in furtherance of any of the foregoing.

"Interest" has the meaning given such term in Section 3.6.1.

"Interest Equivalent" means any security or obligation that is by its terms directly or indirectly convertible into or exchangeable or exercisable for Interests or other equity securities of the Company, and any option, warrant or other subscription or purchase right with respect to Interests or such other equity securities of the Company.

"Interested Member" has the meaning given such term in Section 9.3.2.

"IPO Entity" has the meaning given such term in Section 10.3.2.

"Iridium" means Iridium Satellite LLC, a Delaware limited liability company, and any Affiliate designated by them.

"Iridium Credit Agreement" means the Facility Agreement, dated as of October 4, 2010 and amended by that certain Supplemental Agreement dated as of August 1, 2012, by and among Iridium and the other parties named therein, as the same may be amended or restated from time to time in accordance with its terms.

"Iridium Director" has the meaning given such term in Section 6.2.

"Iridium NEXT Constellation" means the constellation of operational low earth orbiting satellites being manufactured by Iridium pursuant to an agreement with Thales Alenia, with operation currently scheduled to commence in 2018.

"LIBOR Rate" means the rate per annum equal to the British Bankers Association LIBOR Rate (**"BBA LIBOR"**), as published by Reuters at approximately 11:00 a.m. (London time) five (5) Business Days following a Member's Conversion Election or IPO Conversion, as applicable, for U.S. Dollar deposits with a term of one (1) month.

"Liquidation Event" means (a) a sale, lease or other transfer of all or substantially all of the assets of the Company, (b) a reorganization, merger or consolidation of the Company with or into any other limited liability company or entity, or an acquisition of the Company effected by an exchange of outstanding securities of the Company, in each case where the Members immediately prior to such transaction own immediately after such transaction less than fifty percent (50%) of the voting power of the equity securities of the surviving limited liability company or entity (or its parent), as applicable, (c) any sale of voting control or other transaction similar to those described in clause (b) above following which the Company's Members immediately prior to such transaction no longer hold effective control of the Company following such transaction, whether through voting power, ownership, ability to elect a majority of the Board, or otherwise, or (d) liquidation, dissolution, shut down, cessation of business or any winding up of the Company or any Insolvency Event.

"Majority-In-Interest of the Members" means (i) when used with reference to a particular class of Interests, a group of Members whose aggregate Interests of such class at the time of determination exceed fifty percent (50%) of the total Interests of such class held by all the Members (or, where the context so requires, a specified subset thereof), as applicable, at such time and (ii) when used without reference to a particular class, a Member or a group of Members whose aggregate Common Interests at the time of determination exceed fifty percent (50%) of the total Common Interests of all the Members (or, where the context so requires, a specified subset thereof), as applicable, at such time (for purposes of determining the Majority-In-Interest of the Members in this clause (ii) at any time when there are Preferred Interests and Common Interests outstanding, all Preferred Interests shall be deemed to have converted to Common Interests in accordance with the terms hereof). Notwithstanding the foregoing, Non-Voting Preferred Interests shall not be

included in determining Majority-In-Interest of the Members except as otherwise provided in Section 13.18.

"Mandatory Redemption" has the meaning given such term in Section 3.6.3.1.

"Mandatory Redemption Date" has the meaning given such term in Section 3.6.3.1.2.

"Member" has the meaning given such term in the first paragraph of this Agreement.

"Member Register" means the ***Schedule A*** attached to this Agreement entitled "Member Register," as such schedule may be amended by the Board of Directors from time to time in accordance with this Agreement.

"NATS" means NATS (Services) Limited.

"NATS US Subsidiary" means NATS (USA) Inc., a Delaware corporation and wholly-owned subsidiary of NATS.

"NATS Director" has the meaning given such term in Section 6.2.

"NAV CANADA" means **NAV CANADA.**

"NAV CANADA US Subsidiary" means NAV CANADA Satellite, Inc., a Delaware corporation and wholly-owned subsidiary of NAV CANADA.

"NAV CANADA US Subsidiary Stockholder" means, collectively, NAV CANADA and any Affiliate of NAV CANADA to whom NAV CANADA transfers any capital stock of NAV CANADA US Subsidiary.

"NAV CANADA Director" has the meaning given such term in Section 6.2.

"Naviair" means Naviair, an independent state owned company owned by the Kingdom of Denmark.

"Naviair Subsidiary" means Naviair Surveillance A/S, a limited liability company incorporated in the Kingdom of Denmark under company registration number (CVR-no.) 35 64 88 52 and a wholly-owned subsidiary of Naviair.

"Net Profit" and **"Net Loss"** mean, for each Accounting Period, an amount equal to the Company's taxable income or loss, respectively, for such Accounting Period, determined in accordance with Section 703(a) of the Code, which for this purpose shall include all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code, with the following adjustments:

(i) The computation of all items of income, gain, loss and deduction shall include tax-exempt income and those items described in Treasury Regulations Section 1.704-1(b)(2)(iv)(*i*) without regard to the fact that such items are not

includable in gross income or are not deductible for federal income tax purposes.

(ii)If the Book Value of any Company property is adjusted pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(*e*) or (*f*), or Proposed Treasury Regulations Section 1.704(b)(2)(iv)(*s*), the amount of such adjustment shall be taken into account as gain or loss from the disposition of such property; provided, that if the Book Value of any Company property is adjusted pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(*f*)(*5*)(*i*), the allocation of gain or loss shall be made immediately prior to the related acquisition of the interest in the Company.

(iii)Items of income, gain, loss or deduction attributable to the disposition of Company property having a Book Value that differs from its adjusted basis for tax purposes shall be computed by reference to the Book Value of such property.

(iv)Items of depreciation, amortization and other cost recovery deductions with respect to Company property having a Book Value that differs from its adjusted basis for tax purposes shall be computed by reference to the property's Book Value in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(*g*).

(v)To the extent an adjustment to the adjusted tax basis of any Company property pursuant to Sections 732(d), 734(b) or 743(b) of the Code is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(*m*), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis).

(vi)Notwithstanding any other provisions of this definition, any items that are specially allocated pursuant to Section 4.3 shall not be taken into account in computing Net Profits and Net Losses.

"Non-Voting Preferred Interests" means Interests designated by the Board of Directors as "Non-Voting Preferred Interests" with the rights and privileges (including the right to receive the Accrued Dividend on or after January 1, 2021) set forth in this Agreement and the applicable Addendum of Designation and held by those Persons designated by the Board of Directors from time to time and/or any of their respective Permitted Transferee(s).

"Overallotment Notice" has the meaning given such term in Section 11.2.1.6.

"Participating Members" has the meaning given such term in Section 11.2.1.6.

"Participating Members Overallotment Notice" has the meaning given such term in Section 11.2.1.6.

"Participation Rights" has the meaning given such term in Section 3.6.5.

"Partnership Representative" has the meaning given such term in Section 9.3.2.

"Percentage Interest" means, as to a Member holding a class of Interests, such Member's Interests in such class, determined by dividing the Interests of such class owned by such Member by the total amount of Interests of such class then outstanding.

"Permitted Transferee" has the meaning given such term in Section 11.1.1.1.

"Person" means a natural person, partnership (whether general or limited), limited liability company, trust, estate, association, corporation, custodian, nominee or any other individual or entity in its own or any representative capacity.

"Plan" has the meaning given such term in Section 3.6.5.

"Pre-IPO Value" means the per share price at which the common stock of the IPO Entity is reasonably and in good faith expected by the Board of Directors to be offered by the underwriters of the initial public offering of the IPO Entity.

"Preemptive Holders" has the meaning given such term in Section 12.5.

"Preemptive Purchase Notice" has the meaning given such term in Section 12.5.1.

"Preferred Interests" means Interests designated by the Board of Directors as "Preferred Interests" with the rights and privileges (including the right to receive the Accrued Dividend on or after January 1, 2021) set forth in this Agreement and held by NAV CANADA US Subsidiary, the Additional Investors Subsidiaries and/or any of their respective Permitted Transferees and which have not been converted into Common Interests in accordance with the terms hereof.

"Primary Business" has the meaning given such term in Section 2.4.

"Proprietary Information Agreement" has the meaning given such term in Section 5.8.

"Qualified IPO" means a firm commitment underwritten offering of common stock or comparable equity securities of the IPO Entity pursuant to an effective registration statement under the Securities Act in which such common stock or comparable equity securities will be listed on a national securities exchange and the gross proceeds to the IPO Entity and selling Members (before underwriting discounts, commissions, and fees) equal at least fifty million dollars ($50,000,000).

"Redeemable Interest" means the Preferred Interest of a Member which has made no Conversion Election with respect to such Preferred Interest prior to the applicable Redemption Date.

"Redeemable Iridium Interests" means an aggregate percentage of Common Interests held by Iridium such that Iridium shall hold 21.778% of the Company's Interests upon the occurrence of the full Mandatory Iridium Redemption.

"Redemption Date" has the meaning given such term in Section 3.6.3.1.2.

"Redemption Price" has the meaning given such term in Section 3.6.3.2.

"Redemption Price Non-Payment Event" means a default in payment of the Redemption Price when due pursuant to the terms hereof.

"Relation" means an individual's spouse, siblings, lineal ancestors or lineal descendants.

"Reorganization Plan" has the meaning given such term in Section 10.3.

"ROFR Buy Notice" has the meaning given such term in Section 11.2.1.5.

"ROFR Seller" has the meaning given such term in Section 11.2.1.1.

"Sale" has the meaning given such term in Section 6.12.1.2.

"Scheduled Redemption Date" has the meaning given such term in Section 3.6.3.1.1.

"Scheduled Redemption Notice" has the meaning given such term in Section 3.6.3.1.1.

"Second A&R Effective Date" has the meaning given such term in the first paragraph of this Agreement.

"Second NAV CANADA Tranche Financing" means the purchase on or about June 27, 2013 by NAV CANADA through NAV CANADA US Subsidiary of an amount of Preferred Interests which were then convertible into 13.6% of the Fully Diluted Company Voting Interests for $40,000,000.

"Second ROFR Sale Notice" has the meaning given such term in Section 11.2.1.5.

"Strategic Advisory Committee" has the meaning given such term in Section 7.5.

"Tag-Along Notice" has the meaning given such term in Section 12.4.

"Tag-Along Sale" has the meaning given such term in Section 12.4.

"Tag-Along Seller" has the meaning given such term in Section 12.4.

"Tagging Member" has the meaning given such term in Section 12.4.1.

"tax matters partner" has the meaning given such term in Section 9.3.1.

"Tax Liability" has the meaning given such term in Section 9.3.4(b).

"Tax Payments" has the meaning given such term in Section 4.5.

"Third A&R Effective Date" has the meaning given such term in the first paragraph of this Agreement.

"Transfer" means any sale (including, without limitation, a sale by a trustee or debtor in bankruptcy or arising out of any manner of creditor's proceeding), assignment, transfer (including, without limitation, a transfer by will or intestate distribution or any court order for sale or transfer pursuant to a decree including, without limitation, a divorce decree), exchange, mortgage, pledge, foreclosure, execution, garnishment, attachment, sheriff's sale, gift, or other disposition or encumbrance (whether voluntarily or involuntarily or by operation of law) of, or the granting of a security interest in, all or any portion of a Member's Interest or other interests in the Company.

"Treasury Regulations" means the final and temporary regulations promulgated under the Code, as amended from time to time.

"Trigger Event" means (i) the delivery of a written notice by (x) NAV CANADA US Subsidiary or (y) any of the Additional Investors Subsidiaries to the Company, after delivery of the Trigger Event Notice by Iridium, notifying the Company that NAV CANADA US Subsidiary and/or such Additional Investors Subsidiary elect to have all of their respective Redeemable Interests redeemed pursuant to Section 3.6.3.1.2, or (ii) any facts, occurrence, circumstance, event, change or action that, in the good faith and reasonable determination of any NAV CANADA Director and an Additional Investors Director (such determination to be set forth in a written notice delivered to the Company and Iridium), would reasonably be expected to result in the Company (x) becoming subject to or a guarantor under the Iridium Credit Agreement or (y) for so long as the Company is a **"**Subsidiary**"** (as defined in the Iridium Credit Agreement) of Iridium, ceasing to be an Excluded Company.

"Trigger Event Notice" has the meaning given such term in Section 5.14.1.

"Unpaid Dividend,**"** with respect to a Member, means such Member's Accrued Dividend, if any, less all distributions to such Member pursuant to Sections 4.1.1.1 and 4.1.2.1.

"Unreturned Capital" means, with respect to any Member, the excess of Capital Contributions made by such Member over all distributions and payments received by such Member pursuant to Sections 3.6.3 (excluding the portion consisting of Unpaid Dividends or Accrued Dividends) and 4.1.2.2.

"Voting Interests" means Common Interests and Preferred Interests.

Other terms defined in this Agreement have the meanings so given them.

ARTICLE 2
FORMATION OF LIMITED LIABILITY COMPANY

2.1 Formation and Tax Classification. The Company has been formed as a limited liability company under and pursuant to the Act. Each Member represents and warrants that such Member is duly authorized to join in this Agreement and that the person executing this Agreement on its behalf is duly authorized to do so. The Members intend that the Company will be classified as a partnership for U.S. federal, state and local income tax purposes and each Member and the Company shall file all tax returns and shall otherwise take all tax positions in a manner consistent with such treatment. The Members intend that the Company shall not be a partnership (including, without limitation, a limited partnership) for any other purpose.

2.2 Company Name. The name of the Company is Aireon LLC. The business of the Company shall be conducted under such name or such other names as the Board of Directors may from time to time determine in accordance with the terms hereof.

2.3 Term of Company. The term of the Company shall commence on the date of the initial filing of the Certificate with the Secretary of State of the State of Delaware and shall continue until the Company is terminated pursuant to this Agreement or the laws of the State of Delaware.

2.4 Purposes. The purpose of the Company is to own and operate the Aireon System (the **"*Primary Business*"**) and within and ancillary to the Primary Business to engage in any lawful act, activity or business for which a limited liability company may be formed under the Act.

2.5 Merger. Subject to the provisions of this Agreement, the Company may merge with, or consolidate into, another limited liability company (organized under the laws of the State of Delaware or any other state), a corporation (organized under the laws of the State of Delaware or any other state) or other business entity, regardless of whether the Company is the survivor of such merger or consolidation.

ARTICLE 3
CAPITALIZATION; INTERESTS

3.1 Capital Contributions. Prior to or concurrently with the execution of this Agreement, the Members have made the Capital Contributions as set forth in the Member Register attached hereto. On the date hereof, the Members own Interests in the class and in the amounts set forth in the Member Register. The amount of Interests shall be adjusted in the Member Register from time to time by the Board of Directors to the extent necessary to reflect accurately exchanges, redemptions, Capital Contributions, the issuance of additional Interests or similar events having an effect on a Member's Interest occurring after the date hereof in accordance with the terms of this Agreement.

3.2 Establishment and Determination of Capital Accounts. A capital account ***("Capital Account"***) shall be established for each Member on the books of the Company and maintained in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv). If any Interests (as defined herein) of a Member are Transferred in accordance with the terms of this Agreement, the

transferee shall succeed to the Capital Account of the transferor to the extent the Capital Account related to such transferred Interests.

3.3 Negative Capital Accounts. Except as otherwise required by law, no Member shall be required to pay to the Company or any other Member any deficit or negative balance which may exist from time to time in such Member's Capital Account.

3.4 Company Capital. No Member shall be paid interest on any Capital Contribution to the Company or on such Member's Capital Account, and no Member shall have any right (a) to demand the return of such Member's Capital Contribution or any other distribution from the Company (whether upon resignation, withdrawal or otherwise), except to the extent provided in Article 9 or Section 3.6.3 or (b) to cause a partition of the Company's assets. For the avoidance of doubt, nothing in this Section 3.4 shall be construed to override or contradict other rights to dividend accrual, distributions or redemption payments expressly provided in this Agreement.

3.5 Loans by Members. No Member, as such, shall be required to lend any funds to the Company. Any Member may, with the approval of the Board of Directors, make loans to the Company, and any loan by a Member to the Company shall not be considered to be a Capital Contribution.

3.6 Interests.

3.6.1 Authorized Interests. The ownership interests of the Members in the Company are represented by **"*Interests*"**, including all benefits and rights to which the Members holding such Interests are entitled as provided in this Agreement or under the Act, including, without limitation, the right to receive distributions, allocations of profits and losses and to vote, together with all obligations of such Members holding such Interests to comply with the terms and provisions of this Agreement. The Company is hereby authorized to create and issue three classes of Interests designated as "Preferred Interests," "Non-Voting Preferred Interests" and "Common Interests" with the relative rights, benefits and obligations thereof as set forth in this Agreement.

3.6.2 Authorization and Issuance of Interests. Subject to any Member approval required by this Agreement (including Section 12.1) and subject to compliance with Section 12.5, and notwithstanding Section 3.6.1, the Board of Directors may, in accordance with the provisions hereof, authorize, create and issue Interests in addition to those issued on or prior to the date hereof (including additional classes and series of Interests), and fix and determine the relative rights, preferences, powers, privileges and restrictions of such Interests. The Board of Directors may, in accordance with the provisions hereof, determine the Capital Contribution, if any, required to be made for such newly issued Interests. Upon admission of an Additional Member, or increase or decrease in the Interest held by an existing Member, in accordance with this Agreement, the respective Interests of the other Members will be reduced or increased on a pro rata basis based on

their respective holding of Interests at the time of such admission or increase or decrease, as applicable.

3.6.3 Mandatory Redemptions of Redeemable Interest.

3.6.3.1 The Company shall be obligated to redeem each Redeemable Interest (the **"*Mandatory Redemption*"**) as follows:

3.6.3.1.1 to the extent it may lawfully do so, the Company shall redeem for cash all of the Redeemable Interests in three (3) annual installments beginning on January 2, 2021 and ending on the date two (2) years from such first redemption date (each a **"*Scheduled Redemption Date*"**). The Company shall effect such redemptions on (i) the first Scheduled Redemption Date by paying cash for one-third of the recipient Member's Redeemable Interest equal to one-third of the sum of (a) the recipient Member's Unreturned Capital attributable to such Member's Redeemable Interest, as of such Scheduled Redemption Date plus (b) any Unpaid Dividends of the recipient Member attributable to such Member's Redeemable Interest, as of such Scheduled Redemption Date, (ii) the second Scheduled Redemption Date by paying cash for one-half of the recipient Member's remaining Redeemable Interest equal to one-half of the sum of (a) the recipient Member's remaining Unreturned Capital attributable to such Member's Redeemable Interest, as of such Scheduled Redemption Date plus (b) any remaining Unpaid Dividends of the recipient Member attributable to such Member's remaining Redeemable Interest, as of such Scheduled Redemption Date, and (iii) the third Scheduled Redemption Date by paying cash for the recipient Member's remaining Redeemable Interest equal to the sum of (a) the recipient Member's remaining Unreturned Capital attributable to such Member's Redeemable Interest, as of such Scheduled Redemption Date plus (b) any remaining Unpaid Dividends of the recipient Member attributable to such Member's remaining Redeemable Interest, as of such Scheduled Redemption Date. At least thirty (30) days but no more than sixty (60) days prior to the first Scheduled Redemption Date, the Company shall send a notice (a **"*Scheduled Redemption Notice*"**) to all holders of Redeemable Interests setting forth (A) the Redemption Price payable for such Redeemable Interest; and (B) the manner in which such holders will receive the Redemption Price; or

3.6.3.1.2 upon the occurrence of a Trigger Event, the Company shall redeem for cash all of the Redeemable Interests on or prior to the second (2^{nd}) Business Day after the occurrence of a Trigger Event (such date, the **"*Mandatory Redemption Date*"** and each of the Mandatory Redemption Date or a Scheduled Redemption Date, as applicable, a **"*Redemption Date*"**). The Company shall effect such redemption on the Mandatory Redemption Date by paying cash for all of the recipient Member's Redeemable Interest equal to the sum of (a) the recipient Member's Unreturned Capital attributable to such Member's Redeemable Interest, as of the Mandatory Redemption Date plus (b) any Unpaid Dividends of the recipient Member attributable to such Member's Redeemable Interest, as of the Mandatory Redemption Date.

3.6.3.2 The total amount to be paid for each Redeemable Interest is hereinafter referred to as the **"*Redemption Price*"** for such Redeemable Interest. The relative dollar amounts paid to each Member participating in the Mandatory Redemption shall be proportionate to the aggregate Redemption Price owed to each such Member.

3.6.3.3 On a Redemption Date, the Company shall pay the applicable Redemption Price to the Members holding Redeemable Interests.

3.6.3.4 If the assets of the Company available for redemption of the applicable Redeemable Interests by law or otherwise on the applicable Redemption Date are insufficient to redeem the applicable Redeemable Interests on the applicable Redemption Date, the holders of such Redeemable Interests shall share ratably in any assets available by law or otherwise for redemption of the Redeemable Interests in proportion to the amounts that would be payable with respect to the Interests owned by them if the Redeemable Interests to be so redeemed on such Redemption Date were redeemed in full. The Company shall in good faith use all reasonable efforts as expeditiously as possible to eliminate, or obtain an exception, waiver or exemption from, any and all restrictions under applicable law or otherwise that prevented the Company from paying any portion of the Redemption Price and redeeming all of the outstanding Redeemable Interests. At any time thereafter when additional funds of the Company are available by law for the redemption of the Redeemable Interests, such funds will be used, as soon as they become available, to redeem the balance of such Redeemable Interests to be so redeemed in accordance with the terms hereof or such portion thereof for which funds are available, on the basis set forth above. If funds are not available by law or otherwise for the payment in full of the Redemption Price for the Redeemable Interests to be so redeemed on the Redemption Date, then the Company shall be obliged to make such partial redemption so that the number of Redeemable Interests held by each holder shall be reduced in an amount that shall bear the same ratio to the actual number of Redeemable Interests required to be redeemed on such Redemption Date as the number of Redeemable Interests then held by such holder bears to the aggregate number of shares of Redeemable Interests then outstanding. If the Company fails to redeem the Redeemable Interests and pay the full Redemption Price for which redemption is required, then during the period from the Redemption Date through the date on which such Interests that the Company failed to redeem on the Redemption Date are actually redeemed and full payment of Redemption Price is made, Accrued Dividends on such unredeemed Interests shall continue to accrue and be cumulative as specified herein. For the avoidance of doubt, all references in this Agreement to assets or cash not being available or sufficient "by law or otherwise" or using similar language shall be understood to include the situation, and the Company's assets or cash shall be deemed not to be available or sufficient "by law or otherwise," where payment by the Company would result in a default under the terms of any indebtedness of the Company or where use of such assets or cash is restricted or prohibited by the terms of any such indebtedness or agreements between the Company and its lenders.

3.6.3.5 The Redemption Price of each Redeemable Interest shall be payable to the order of the person whose name appears on ***Schedule A*** attached hereto as the owner thereof. From and after the first Redemption Date, all rights of the holders of such Redeemable Interests (except the right to receive the Redemption Price (without interest)) shall cease and terminate with respect to such Redeemable Interests; *provided* that in the event that any applicable Redemption Price for a particular Redeemable Interest is not paid in full when due, as a result of a Redemption Price Non-Payment Event, the rights of the holder of such Redeemable Interest shall continue (including any entitlement to Accrued Dividends, if any) as to a ratable portion of such Redeemable Interest, which (as of any particular time) shall be equal to the product of such Redeemable Interest multiplied by a fraction, the numerator of which is that portion of the aggregate Redemption Price for such Redeemable Interest which has not been paid in full, and the denominator of which is the aggregate Redemption Price for such Redeemable Interest.

3.6.3.6 For the avoidance of doubt and notwithstanding anything to the contrary set forth in this Agreement, the obligation of the Company to pay the applicable Redemption Price on a Redemption Date shall not be affected by the fact that the Hosting Cost Reimbursements have not been paid in full or any default, deferral or failure of payment of Hosting Cost Reimbursements exists or has occurred under the Hosting Cost Reimbursement Agreement.

3.6.4 Mandatory Redemptions of Redeemable Iridium Interests.

3.6.4.1 To the extent it may lawfully do so, the Company shall redeem for cash all of the Redeemable Iridium Interests (the "***Mandatory Iridium Redemption***") as soon as sufficient funds are available following the payment of all Hosting Cost Reimbursements then due and owing under the Hosting Cost Reimbursement Agreement. The Company shall effect such redemption by paying cash for the Redeemable Iridium Interests in the amount of $120,000,000.

3.6.4.2 The total amount to be paid for the Redeemable Iridium Interests is hereinafter referred to as the "***Iridium Redemption Price.***"

3.6.4.3 If the assets of the Company available for redemption of the Redeemable Iridium Interests by law or otherwise are insufficient to redeem the Redeemable Iridium Interests, Iridium shall receive the portion of any assets available by law or otherwise for redemption of the Redeemable Iridium Interests. The Company shall in good faith use all reasonable efforts as expeditiously as possible to eliminate, or obtain an exception, waiver or exemption from, any and all restrictions under applicable law or otherwise that prevented the Company from paying any portion of the Iridium Redemption Price and redeeming all of the outstanding Redeemable Iridium Interests. At any time thereafter when additional funds of the Company are available by law for the redemption of the outstanding Redeemable Iridium Interests, such funds will be used, as soon as they become available, to redeem the balance of such Redeemable Iridium Interests to be so redeemed in accordance with the terms hereof or such portion thereof for which funds are available, on the basis set forth above. If funds are not available by law or otherwise for the payment in full

of the Iridium Redemption Price for the Redeemable Iridium Interests to be so redeemed on any date, then the Company shall be obliged to make a partial redemption of the Redeemable Iridium Interests.

3.6.4.4 Upon full redemption of the Redeemable Iridium Interests, Iridium shall hold 21.778% of the Company's Interests in the form of Common Interests (assuming that no other Members have converted their Preferred Interests into Common Interests or transferred or redeemed their Interests in accordance with this Agreement), and the holdings of Company Interests (whether Preferred Interests or Common Interests, for example if such Member has made its Conversion Election) of the other Members will be increased on a pro rata basis. An example of such adjustments, based upon a full redemption for cash all of the Redeemable Iridium Interests, based upon the Interests held by Members as of the Third A&R Effective Date, is set forth in the table below:

Investor	Pre-Redemption Interests	Post-Redemption Interests
Iridium Satellite LLC	35.739%	21.778%
NAV CANADA Satellite, Inc.	37.198%	45.333%
ENAV North Atlantic LLC	9.143%	11.111%
IAA North Atlantic Inc.	4.389%	5.333%
NAVIAIR Surveillance A/S	4.389%	5.333%
NATS (USA) Inc.	9.143%	11.111%
Total Ownership %	**100.000%**	**100.000%**

In the event of one or more partial redemptions pursuant to Section 3.6.4.3, the pro rata adjustments provided for in this Section 3.6.4.4 would be applied to reflect each partial redemption.

3.6.4.5 For the avoidance of doubt and notwithstanding anything to the contrary set forth in this Agreement, except for Mandatory Redemptions or as set forth in Section 4.1.2, prior to the Mandatory Iridium Redemption of all Redeemable Iridium Interests, the Company shall not make any other redemption of Interests or any dividends or distributions to any Members.

3.6.5 Incentive Plan. Subject to approval by the Members holding Preferred Interests pursuant to Section 12.1, the Board of Directors may be authorized to create an incentive plan (the **"*Plan*"**) pursuant to which the Chief Executive Officer, subject to prior approval by the Board of Directors pursuant to Section 6.12.1, may grant nonvoting, participation or profit sharing rights of the Company's appreciated value to employees, directors and other service providers of the Company, subject to such vesting and other restrictions as the Board of Directors may deem appropriate (all such rights, **"*Participation Rights*"**). In no event shall any Participation Rights or other rights under such plan constitute Interests, Interest Equivalents or other equity of the Company.

3.6.6 Revision of Member Register upon Issuance of New Interests. When new Interests are issued as permitted by the terms of this Agreement, the Member Register shall be updated by the Board of Directors in accordance with the terms hereof to reflect such issuance.

3.6.7 Interest Certificates. The Interests shall be uncertificated.

3.7 Guarantees.

3.7.1 NAV CANADA. NAV CANADA hereby fully, irrevocably, absolutely and unconditionally guarantees, for the benefit of the Company, the prompt and complete payment and performance by NAV CANADA US Subsidiary of its obligations when due under this Agreement and any other agreements between NAV CANADA US Subsidiary and the Company (collectively, the "***NAV CANADA US Subsidiary Obligations***") in accordance with the terms hereof. This guaranty shall be a full, unconditional, irrevocable, absolute and continuing guaranty of payment and performance of the obligations of NAV CANADA US Subsidiary. If NAV CANADA US Subsidiary fails to perform any NAV CANADA US Subsidiary Obligations requiring payment, in whole or in part, when such NAV CANADA US Subsidiary Obligations are due, NAV CANADA shall promptly pay such NAV CANADA US Subsidiary Obligations in lawful money of the United States. NAV CANADA shall pay such amount within five (5) Business Days of receipt of demand for payment from the Company. The Company may enforce its rights under this guaranty without first suing NAV CANADA US Subsidiary or joining NAV CANADA US Subsidiary in any suit against NAV CANADA, or enforcing any rights and remedies against NAV CANADA US Subsidiary or otherwise pursuing or asserting any claims or rights against NAV CANADA US Subsidiary or any other Person or entity or any of its or their property which may also be liable with respect to the matters for which NAV CANADA is liable hereunder.

3.7.2 ENAV. Enav hereby fully, irrevocably, absolutely and unconditionally guarantees, for the benefit of the Company, the prompt and complete payment and performance by Enav US Subsidiary of its obligations when due under this Agreement and any other agreements between Enav US Subsidiary and the Company (collectively, the "***Enav US Subsidiary Obligations***") in accordance with the terms hereof. This guaranty shall be a full, unconditional, irrevocable, absolute and continuing guaranty of payment and performance of the obligations of Enav US Subsidiary. If Enav US Subsidiary fails to perform any Enav US Subsidiary Obligations requiring payment, in whole or in part, when such Enav US Subsidiary Obligations are due, Enav shall promptly pay such Enav US Subsidiary Obligations in lawful money of the United States. Enav shall pay such amount within five (5) Business Days of receipt of demand for payment from the Company. The Company may enforce its rights under this guaranty without first suing Enav US Subsidiary or joining Enav US Subsidiary in any suit against Enav, or enforcing any rights and remedies against Enav US Subsidiary or otherwise pursuing or asserting any claims or rights against Enav US Subsidiary or any other Person or entity or any of its or their property which may also be liable with respect to the matters for which Enav is liable hereunder.

3.7.3 IAA. IAA hereby fully, irrevocably, absolutely and unconditionally guarantees, for the benefit of the Company, the prompt and complete payment and performance by IAA US Subsidiary of its obligations when due under this Agreement and any other agreements between IAA US Subsidiary and the Company (collectively, the "***IAA US Subsidiary Obligations***")

in accordance with the terms hereof. This guaranty shall be a full, unconditional, irrevocable, absolute and continuing guaranty of payment and performance of the obligations of IAA US Subsidiary. If IAA US Subsidiary fails to perform any IAA US Subsidiary Obligations requiring payment, in whole or in part, when such IAA US Subsidiary Obligations are due, IAA shall promptly pay such IAA US Subsidiary Obligations in lawful money of the United States. IAA shall pay such amount within five (5) Business Days of receipt of demand for payment from the Company. The Company may enforce its rights under this guaranty without first suing IAA US Subsidiary or joining IAA US Subsidiary in any suit against IAA, or enforcing any rights and remedies against IAA US Subsidiary or otherwise pursuing or asserting any claims or rights against IAA US Subsidiary or any other Person or entity or any of its or their property which may also be liable with respect to the matters for which IAA is liable hereunder.

3.7.4 Naviair. Naviair hereby fully, irrevocably, absolutely and unconditionally guarantees, for the benefit of the Company, the prompt and complete payment and performance by Naviair Subsidiary of its obligations when due under this Agreement and any other agreements between Naviair Subsidiary and the Company (collectively, the "***Naviair Subsidiary Obligations***") in accordance with the terms hereof. This guaranty shall be a full, unconditional, irrevocable, absolute and continuing guaranty of payment and performance of the obligations of Naviair Subsidiary. If Naviair Subsidiary fails to perform any Naviair Subsidiary Obligations requiring payment, in whole or in part, when such Naviair Subsidiary Obligations are due, Naviair shall promptly pay such Naviair Subsidiary Obligations in lawful money of the United States. Naviair shall pay such amount within five (5) Business Days of receipt of demand for payment from the Company. The Company may enforce its rights under this guaranty without first suing Naviair Subsidiary or joining Naviair Subsidiary in any suit against Naviair, or enforcing any rights and remedies against Naviair Subsidiary or otherwise pursuing or asserting any claims or rights against Naviair Subsidiary or any other Person or entity or any of its or their property which may also be liable with respect to the matters for which Naviair is liable hereunder.

3.7.5 NATS. NATS hereby fully, irrevocably, absolutely and unconditionally guarantees, for the benefit of the Company, the prompt and complete payment and performance by NATS US Subsidiary of its obligations when due under this Agreement and any other agreements between NATS US Subsidiary and the Company (collectively, the "***NATS US Subsidiary Obligations***") in accordance with the terms hereof. This guaranty shall be a full, unconditional, irrevocable, absolute and continuing guaranty of payment and performance of the obligations of NATS US Subsidiary. If NATS US Subsidiary fails to perform any NATS US Subsidiary Obligations requiring payment, in whole or in part, when such NATS US Subsidiary Obligations are due, NATS shall promptly pay such NATS US Subsidiary Obligations in lawful money of the United States. NATS shall pay such amount within five (5) Business Days of receipt of demand for payment from the Company. The Company may enforce its rights under this guaranty without first suing NATS US Subsidiary or joining NATS US Subsidiary in any suit against NATS, or enforcing any rights and remedies against NATS US Subsidiary or otherwise pursuing or asserting any claims or rights

against NATS US Subsidiary or any other Person or entity or any of its or their property which may also be liable with respect to the matters for which NATS is liable hereunder.

ARTICLE 4
DISTRIBUTIONS; ALLOCATIONS OF PROFITS AND LOSSES

4.1 Distributions and Payments.

4.1.1 Distributions of Available Cash. Subject to the terms of this Agreement, if approved by the Board of Directors in accordance with Section 6.12.1, the Board of Directors shall cause the Company to distribute Available Cash with respect to a fiscal quarter or such shorter period of time as determined by the Board of Directors from time to time to the Members. Except as otherwise provided in Section 4.1.3, any such distributions of Available Cash shall be made to the Members in the following manner and priority:

4.1.1.1 First, to the Members holding Preferred Interests and Non-Voting Preferred Interests in proportion to their respective Unpaid Dividends, if any, until all Unpaid Dividends as of such date have been paid.

4.1.1.2 Then, to the Members holding Common Interests in proportion to their respective Percentage Interests in Common Interest as of the time of such distribution.

4.1.1.3 Notwithstanding anything to the contrary set forth herein, except pursuant to Section 4.1.2, in no event shall the Company make any distributions on any Common Interest prior to January 1, 2021.

4.1.2 Liquidation Event Distributions. After satisfaction or discharge of all the debts, liabilities and obligations of the Company (including, without limitation, all expenses incurred in the Liquidation Event and setting aside any reserves needed for contingent or deferred liabilities all as determined by the Board of Directors in accordance with Section 6.12), the remaining proceeds of a Liquidation Event available for distribution to the Members shall be distributed amongst the Members in the following manner and priority:

4.1.2.1 First, to the Members holding Preferred Interests and Non-Voting Preferred Interests in proportion to their respective Percentage Interests in Preferred Interest and Non-Voting Preferred Interest until each Member's Unpaid Dividend, as of such date of distribution, is zero.

4.1.2.2 Then, to the Members holding Preferred Interests and Non-Voting Preferred Interests in proportion to their respective Percentage Interests in Preferred Interest and Non-Voting Preferred Interest, until each Member's Unreturned Capital is zero.

4.1.2.3 Then, to the Members holding Common Interests in proportion to their respective Percentage Interests in Common Interest as of the time of such distribution.

4.1.3 Limitations on Distributions; Special Rules. Notwithstanding any other provision of this Agreement:

4.1.3.1 No distribution (including distributions in redemption of Interests or upon Dissolution) shall be made to any Member to the extent that, after giving effect to the distribution, all liabilities of the Company (other than liabilities to Members on account of their Interests) would exceed the fair market value of the Company's assets.

4.1.3.2 In the event an Additional Member is admitted to the Company after the beginning of any particular fiscal period (including the beginning of a month), the Board of Directors may, in its sole discretion, allow such Additional Member to participate in all distributions attributable to such fiscal period, including distributions made prior to such Additional Member's admission to the Company. The Board of Directors may effectuate such participation in whatever manner they deem appropriate, including, without limitation, by specially allocating subsequent distributions away from existing Members to such Additional Member, or by holding back a portion of prior distributions in anticipation of an Additional Member's admission, and then making a special distribution of such held-back amounts solely to the Additional Member.

4.1.3.3 To the extent that the Board determines to distribute property in-kind, either pursuant to Section 4.1.1 or 4.1.2, such property's fair market value shall be determined by the Board of Directors in good faith and any distribution which includes such in-kind property shall be apportioned in a manner such that the recipients of such distribution receive a proportionate share (based on the relative dollar amounts distributable to each such recipient in such distribution) of any cash and of the relative fair market value of each class or type of in-kind property constituting a part of such distribution, unless a different apportionment is agreed by each Member participating in such distribution. The value of such non-cash proceeds shall be equal to the fair market value of the non-cash proceeds at the time of the distribution as determined in good faith by the Board.

4.1.3.4 Except as otherwise provided in Section 5.4.5, the holder of a Common Interest which was formerly a Preferred Interest shall not be entitled to any adjustments in respect of previous distributions on Common Interests, and shall share only in such Member's Common Interest percentage of any distributions made pursuant to Section 4.1.1.2 and 4.1.2.3 after such Member makes the Conversion Election. The apportionment of any particular distribution made pursuant to Section 4.1.1.2 or 4.1.2.3 will be based on the Members' respective Percentage Interest in Common Interest at the time of such distribution, regardless of whether a Member's previous Percentage Interest in Common Interest was lower or higher.

4.1.3.5 Notwithstanding anything to the contrary herein, no Preferred Interest shall be entitled to receive distributions under both Section 4.1.2.2 and 4.1.2.3. Except as provided in Section 4.1.1.3, if a Preferred Interest is still eligible for a Conversion Election as of the date of a distribution pursuant to such Sections, the holder of such Preferred Interest shall be required to choose between (i) making a Conversion Election and receiving distributions (if any) pursuant to Section 4.1.2.3, and (ii) not making a Conversion Election and receiving distributions (if any) pursuant to Section 4.1.2.2.

4.1.3.6 For the avoidance of doubt, the Company's obligation to pay any Unpaid Dividends pursuant to Section 5.4.4 shall have priority over any distribution pursuant to Section 4.1.

4.2 Allocation of Profits and Losses. After applying Section 4.3, the Company's Net Profit and Net Loss (and, if determined by the Board in consultation with the Company's tax advisors, individual component items thereof) for any Accounting Period shall be allocated among the Members in such a manner that, as of the end of such Accounting Period and to the extent possible with respect to each Member, each Member's Adjusted Capital Account shall be equal to the respective net amounts, positive or negative, which would be distributed to them or for which they would be liable to the Company under this Agreement, determined as if the Company were to: (A) liquidate all of the assets of the Company for an amount equal to their Book Value and (B) distribute the proceeds of such liquidation in the manner described in Section 4.1.2 of this Agreement.

4.3 Regulatory and Special Allocations. Notwithstanding the provisions of Section 4.2, Net Profit, Net Loss and items thereof shall be allocated to the Members in the manner and to the extent required by the Treasury Regulations under Section 704 of the Code, including without limitation, the provisions thereof dealing with minimum gain chargebacks, partner minimum gain chargebacks, qualified income offsets, partnership nonrecourse deductions, partner nonrecourse deductions, forfeiture allocations, and the provisions dealing with deficit capital accounts in Sections 1.704-2(g)(1), 1.704-2(i)(5), and 1.704-1(b)(2)(ii)(*d*).

4.4 Tax Allocations; Code Section 704(c). The income, gains, losses, deductions and expenses of the Company shall be allocated, for federal, state and local income tax purposes, among the Members in accordance with the allocation of such income, gains, losses, deductions and expenses among such Members for computing their Capital Accounts, except that if any such allocation is not permitted by the Code or other applicable law, the Company's subsequent income, gains, losses, deductions and expenses shall be allocated among the Members for tax purposes to the extent permitted by the Code and other applicable law, so as to reflect as nearly as possible the allocation set forth herein in computing their Capital Accounts.

Notwithstanding the previous sentence, such items shall be allocated among the Members in a different manner to the extent required by Code Section 704(c) and the Treasury Regulations thereunder (dealing with contributed property), Treasury Regulations Sections 1.704-1(b)(2)(iv)(*f*)

(dealing with property having a book value different than its tax basis) and 1.704-1(b)(4)(ii) (dealing with tax credit items). The Members agree that, for purposes of Section 704(c) of the Code, with respect to tax items attributable to any book-tax differences (whether from property contributed to the Company or resulting from revaluations of Company property), the Company will use the "remedial method" as described in Treasury Regulations Section 1.704-3(d) unless the Board directs (subject to Section 6.12.2.1) the Company to use a method other than the remedial method. Allocations pursuant to this Section 4.4 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of profits, losses, other items or distributions pursuant to any provisions of this Agreement.

4.5 Tax Payments. If and to the extent the Company is required by law (as determined in good faith by the Board of Directors) to make payments with respect to any Member in amounts required to discharge any legal obligation of the Company owed to any governmental authority with respect to any federal, state or local tax liability of such Member arising as a result of such Member's interest in the Company (**"*Tax Payments*"**), then such Member shall be required to promptly pay to the Company an amount of cash equal to such Tax Payments, and the Company shall be entitled to withhold such amount from distributions, redemption or sale proceeds payable to such Member in the event such Member fails to promptly make such payment to the Company.

ARTICLE 5
MEMBERS

5.1 Number. The Company shall at all times have one or more Members, who shall constitute the **"*Members*"** of the Company for all purposes of the Act. Each Person identified as a Member on the Member Register either is hereby admitted as a member of the Company or hereby continues as a member of the Company, as applicable, effective as of the Third A&R Effective Date.

5.2 Members' Voting Rights. Except as otherwise provided herein (including Section 12.1), the Board of Directors may, but shall have no duty to, consult with the Members as to matters concerning the Company and its business and may take the advice and counsel of the Members so consulted into account when making decisions and acting with respect to such matters.

5.3 Required Vote. Subject to the other provisions contained herein, any action requiring the approval of the Members shall require the affirmative vote of a Majority-In-Interest of the Members in order to constitute the action of or approval by the Members. In the case of approval by the Members of a particular class of Interests, such approval shall require the affirmative vote of a Majority-In-Interest of the Members holding such class of Interests. Except as otherwise provided by law, any action or vote of the Members may be taken by a consent in writing setting forth the action or vote so taken and signed by Members holding the requisite Interests entitled to vote necessary to authorize or take such action.

5.4 Conversion Election.

5.4.1 Optional Conversion Election. Subject to and in compliance with the provisions of this Section 5.4, any Member holding Preferred Interests may at any time and from time to time elect to convert all or a portion of such Member's Preferred Interests into Common Interests (each, a **"*Conversion Election*"**). That portion of a Preferred Interest for which a Conversion Election is made shall, upon delivery of the notice described in Section 5.4.2, automatically become a Common Interest without further action on the part of the holder or the Company.

5.4.2 Exercise of Conversion Election Privilege. To make a Conversion Election, a Member shall give written or electronic notice (including email, provided the following language appears in the subject line of the email: "AIREON FORMAL CONVERSION ELECTION NOTICE", and via facsimile transmission) of such election to the Company at the principal office of the Company. Such notice shall also specify the portion of such Member's Interest with respect to which the Conversion Election applies. The Business Day that the Company receives such written or electronic notice shall be the **"*Election Date*"** for such Member's Conversion Election. Such Conversion Election shall be deemed effective as of the Election Date.

5.4.3 Mandatory Conversion Upon IPO. Subject to fulfilling the requirements set forth in Section 10.3, immediately prior to the initial public offering of the Company, all outstanding Preferred Interests shall convert into Common Interests (an **"*IPO Conversion*"**).

5.4.4 Treatment of Unpaid Dividends Upon Conversion Election. The Company will pay an electing Member's Unpaid Dividend with respect to the portion of such Member's Preferred Interest for which a Conversion Election or IPO Conversion, as applicable, is made within five (5) Business Days of such Member's Conversion Election or IPO Conversion, as applicable; *provided* that if such payment by the Company would result in a default under the terms of any indebtedness of the Company or the Company is unable to pay such Accrued Dividends due to insufficient Available Cash, then such payment will be made within five (5) Business Days of the removal of such restriction, or the achievement of Available Cash, as applicable; provided that any such Unpaid Dividend shall accrue interest beginning on the 6th Business Day after such Member's Conversion Election or IPO Conversion, as applicable, at a rate equal to the lesser of (i) LIBOR, plus three and one-half percent (3.5%), or (ii) six percent (6.0%), per annum until fully paid.

5.4.5 Certain Adjustments to Preferred Interests. The Preferred Interests shall also be subject to adjustment as follows:

5.4.5.1 If the Company shall at any time or from time to time, prior to conversion of any Preferred Interests (x) make a distribution on the outstanding Common Interests payable in Interests, (y) subdivide, split or combine the outstanding Common Interests (with no corresponding subdivision, split or combination of the Preferred Interests), or (z) issue any Interests in a reclassification or recapitalization of the Common Interest, then, and in each such case, the

Preferred Interests shall be adjusted (and any other appropriate actions shall be taken by the Company) so that the Members holding any Preferred Interests thereafter surrendered for conversion shall be entitled to receive the amount of Common Interests or other securities of the Company that such Member would have owned or would have been entitled to receive upon or by reason of any of the events described above, had such Preferred Interests been converted immediately prior to the occurrence of such event. An adjustment made pursuant to this Section 5.4.5.1 shall become effective retroactively (1) in the case of any such distribution, to a date immediately following the close of business on the record date for the determination of holders of Common Interests entitled to receive such distribution or (2) in the case of any such subdivision, split, combination, reclassification or recapitalization, to the close of business on the day upon which such action becomes effective.

5.4.5.2 In case of any merger or consolidation of the Company (other than a Liquidation Event) or any capital reorganization, reclassification or other change of outstanding Interests, the Company shall execute and deliver to each Member holding Preferred Interests, at least ten (10) Business Days prior to effecting such transaction, a certificate signed by a duly authorized officer of the Company, stating that each such Member holding Preferred Interests shall have the right to receive in such transaction, in exchange for each Preferred Interest, a security identical to (or not less favorable than) the Preferred Interest, and provision shall be made therefor in the agreement, if any, relating to such transaction. Any certificate delivered pursuant to this Section 5.4.5.2 shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in other paragraphs of this Section 5.4.5.

5.4.5.3 If the Company at any time or from time to time, prior to the conversion of any Preferred Interests, shall take any action affecting the Common Interests similar to or having an effect similar to any of the actions described in the foregoing paragraphs of this Section 5.4.5 (but not including any action described in any such paragraphs), and the Board of Directors in good faith determines that it would be equitable in the circumstances to adjust the Preferred Interests as a result of such action, then, and in each such case, the Preferred Interests shall be adjusted in such manner and at such time as the Board of Directors in good faith determines would be equitable in the circumstances (such determination to be evidenced in a resolution, a copy of which shall be delivered to the Members holding Preferred Interests). Upon any adjustment of the Preferred Interests, the Company shall, within a reasonable period (not to exceed ten (10) days) following the transactions giving rise to such adjustment, deliver to each Member holding Preferred Interests a certificate, signed by a duly authorized officer of the Company, setting forth in reasonable detail the event requiring the adjustment and the method by which such adjustment was calculated and specifying the increased or decreased of the Preferred Interests then in effect following such adjustment.

5.5 Effect of Incapacity. Except as otherwise provided herein, the Incapacity of a Member shall not dissolve or terminate the Company. In the event of such Incapacity, the executor, administrator, guardian, trustee or other personal representative of the Incapacitated Member shall

be deemed to be the assignee of such Member's Interests and interest in capital and may, upon approval of the Board of Directors, become a Member. For purposes of this Section 5.5, **"*Incapacity*"** or **"*Incapacitated*"** means (i) with respect to a natural Person, the bankruptcy, death, incompetency or insanity of such individual, and (ii) with respect to any other Person, the bankruptcy, liquidation, dissolution or termination of such Person.

5.6 Representations and Warranties of Members, NAV CANADA and the Additional Investors.

5.6.1 Each Member hereby severally but not jointly represents and warrants to and acknowledges with the Company that:

5.6.1.1 such Member has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an investment in the Company and making an informed investment decision with respect thereto;

5.6.1.2 such Member is able to bear the economic and financial risk of an investment in the Company for an indefinite period of time;

5.6.1.3 such Member has sufficient funds and/or credit arrangements available to enable such Member to make the Capital Contributions contemplated by this Agreement;

5.6.1.4 such Member is acquiring Interests in the Company for investment only and not with a view to, or for resale in connection with, any distribution to the public or public offering thereof;

5.6.1.5 to the extent such Member has been provided with forecasts, models or projections relating to the Company and its future financial or operating performance prepared by the Company before acquiring any Interests in the Company, such Member acknowledges that there are uncertainties inherent in attempting to make such forecasts, models and/or projections, that such Member is familiar with such uncertainties and that such Member is taking full responsibility for making its own evaluation of the adequacy and accuracy of all forecasts, models and/or projections so furnished to it, including the reasonableness of the assumptions underlying such forecasts, models and/or projections;

5.6.1.6 the interests in the Company have not been registered under the securities laws of any jurisdiction and cannot be disposed of unless they are subsequently registered and/or qualified under applicable securities laws and the provisions of this Agreement have been complied with;

5.6.1.7 the execution, delivery and performance of this Agreement have been duly authorized by such Member and do not require such Member to obtain any consent or approval that has not been obtained and do not contravene or result in a default under any provision

of any law or regulation applicable to such Member or other governing documents or any agreement or instrument to which such Member is a party or by which such Member is bound; and

5.6.1.8 assuming due authorization, execution and delivery of the other parties hereto, this Agreement is valid, binding and enforceable against such Member in accordance with its terms.

5.6.2 NAV CANADA hereby represents and warrants to and acknowledges with the Company that:

5.6.2.1 NAV CANADA is duly organized and validly existing under the laws of Canada and has all requisite power and authority to carry on its business as now conducted, to own and use the properties owned and used by it and to enter into this Agreement;

5.6.2.2 NAV CANADA is solvent and no receiver or receiver and manager has been appointed over any part of its assets and no such appointment has been threatened;

5.6.2.3 NAV CANADA is not in liquidation or statutory management and no proceedings have been brought or threatened and no resolution has been passed or other step taken for the purposes of appointing a liquidator of NAV CANADA;

5.6.2.4 the execution, delivery and performance of this Agreement by NAV CANADA have been duly authorized by NAV CANADA and do not require NAV CANADA to obtain any consent or approval that has not been obtained and do not contravene or result in a default under any provision of any law or regulation applicable to NAV CANADA or other governing documents or any agreement, instrument or deed or any writ, order or injunction, or judgment to which NAV CANADA is a party or is subject or by which NAV CANADA is bound; and

5.6.2.5 assuming due authorization, execution and delivery of the other parties hereto, this Agreement is valid, binding and enforceable against NAV CANADA in accordance with its terms.

5.6.3 Enav hereby represents and warrants to and acknowledges with the Company that:

5.6.3.1 Enav is duly organized and validly existing under the laws of the Italian Republic and has all requisite power and authority to carry on its business as now conducted, to own and use the properties owned and used by it and to enter into this Agreement;

5.6.3.2 Enav is solvent and no receiver or receiver and manager has been appointed over any part of its assets and no such appointment has been threatened;

5.6.3.3 Enav is not in liquidation or statutory management and no proceedings have been brought or threatened and no resolution has been passed or other step taken for the purposes of appointing a liquidator of Enav;

5.6.3.4 the execution, delivery and performance of this Agreement by Enav have been duly authorized by Enav and do not require Enav to obtain any consent or approval that has not been obtained and do not contravene or result in a default under any provision of any law or regulation applicable to Enav or other governing documents or any agreement, instrument or deed or any writ, order or injunction, or judgment to which Enav is a party or is subject or by which Enav is bound; and

5.6.3.5 assuming due authorization, execution and delivery of the other parties hereto, this Agreement is valid, binding and enforceable against Enav in accordance with its terms.

5.6.4 IAA hereby represents and warrants to and acknowledges with the Company that:

5.6.4.1 IAA is duly organized and validly existing under the laws of the Republic of Ireland and has all requisite power and authority to carry on its business as now conducted, to own and use the properties owned and used by it and to enter into this Agreement;

5.6.4.2 IAA is solvent and no receiver or receiver and manager has been appointed over any part of its assets and no such appointment has been threatened;

5.6.4.3 IAA is not in liquidation or statutory management and no proceedings have been brought or threatened and no resolution has been passed or other step taken for the purposes of appointing a liquidator of IAA;

5.6.4.4 the execution, delivery and performance of this Agreement by IAA have been duly authorized by IAA and do not require IAA to obtain any consent or approval that has not been obtained and do not contravene or result in a default under any provision of any law or regulation applicable to IAA or other governing documents or any agreement, instrument or deed or any writ, order or injunction, or judgment to which IAA is a party or is subject or by which IAA is bound; and

5.6.4.5 assuming due authorization, execution and delivery of the other parties hereto, this Agreement is valid, binding and enforceable against IAA in accordance with its terms.

5.6.5 Naviair hereby represents and warrants to and acknowledges with the Company that:

5.6.5.1 Naviair is duly organized and validly existing under the laws of the Kingdom of Denmark and has all requisite power and authority to carry on its business as now conducted, to own and use the properties owned and used by it and to enter into this Agreement;

5.6.5.2 Naviair is solvent and no receiver or receiver and manager has been appointed over any part of its assets and no such appointment has been threatened;

5.6.5.3 Naviair is not in liquidation or statutory management and no proceedings have been brought or threatened and no resolution has been passed or other step taken for the purposes of appointing a liquidator of Naviair;

5.6.5.4 the execution, delivery and performance of this Agreement by Naviair have been duly authorized by Naviair and do not require Naviair to obtain any consent or approval that has not been obtained and do not contravene or result in a default under any provision of any law or regulation applicable to Naviair or other governing documents or any agreement, instrument or deed or any writ, order or injunction, or judgment to which Naviair is a party or is subject or by which Naviair is bound; and

5.6.5.5 assuming due authorization, execution and delivery of the other parties hereto, this Agreement is valid, binding and enforceable against Naviair in accordance with its terms.

5.6.6 NATS hereby represents and warrants to and acknowledges with the Company that:

5.6.6.1 NATS is a public limited company duly organized and validly existing under the laws of England and Wales and has all requisite power and authority to carry on its business as now conducted, to own and use the properties owned and used by it and to enter into this Agreement;

5.6.6.2 NATS is solvent and no receiver or receiver and manager has been appointed over any part of its assets and no such appointment has been threatened;

5.6.6.3 NATS is not in liquidation or statutory management and no proceedings have been brought or threatened and no resolution has been passed or other step taken for the purposes of appointing a liquidator of NATS;

5.6.6.4 the execution, delivery and performance of this Agreement by NATS have been duly authorized by NATS and do not require NATS to obtain any consent or approval that has not been obtained and do not contravene or result in a default under any provision of any law or regulation applicable to NATS or other governing documents or any agreement, instrument or deed or any writ, order or injunction, or judgment to which NATS is a party or is subject or by which NATS is bound; and

5.6.6.5 assuming due authorization, execution and delivery of the other parties hereto, this Agreement is valid, binding and enforceable against NATS in accordance with its terms.

5.7 Investment Opportunities. Notwithstanding any duty existing at law or in equity (including any fiduciary duties), no Member shall have any obligation to offer investment opportunities to the Company or any other Member.

5.8 Confidentiality. As to so much of the information and other material furnished under or in connection with this Agreement (whether furnished before, on or after the date hereof) as constitutes or contains confidential business, financial or other information of the Company or any subsidiary, each of the Members, NAV CANADA, each Additional Investor and the Company covenants for itself and its directors, managers, officers, members and partners, that it will not disclose (and will prevent its employees, counsel, accountants and other representatives from disclosing) such information except as authorized in writing in advance by the Board of Directors; *provided, however*, that each Member, NAV CANADA and each Additional Investor may disclose or deliver any information or other material disclosed to or received by it should such Member, NAV CANADA or such Additional Investor be advised by its counsel that such disclosure or delivery is required by law, regulation or judicial or administrative order. This obligation shall survive termination of this Agreement. The Members, NAV CANADA and each Additional Investor acknowledge that some or all Members, NAV CANADA and some or all of the Additional Investors may be subject to other written agreements with the Company concerning the confidentiality of proprietary information (a **"*Proprietary Information Agreement*"**). Each Member, NAV CANADA and each Additional Investor agrees to abide by any such Proprietary Information Agreement to which it is subject. Where the provisions of a Proprietary Information Agreement and this Section conflict, the Proprietary Information Agreement will control as to the obligations of the Member, NAV CANADA and each Additional Investor, as applicable, to which such Proprietary Information Agreement applies.

5.9 Noncompetition. Each Member, NAV CANADA and each Additional Investor agrees (i) not to engage in competition with the Company and/or any of its Affiliates, either directly or indirectly, in any manner or capacity, as adviser, principal, agent, affiliate, promoter, partner, officer, director, employee, stockholder, owner, co-owner, consultant, or member of any association or otherwise, in any phase of the Primary Business, and (ii) not to acquire, assume or participate in, directly or indirectly, any position, investment or interest in any company, person or entity that is, directly or indirectly, in competition with the Primary Business of the Company or any of its Affiliates except for passive investments of 1% or less of the outstanding voting securities of a company listed on the NYSE, AMEX or Nasdaq National Market; *provided*, *however*, that notwithstanding anything to the contrary set forth herein, nothing in this Section 5.9 shall be deemed to restrict or prohibit NAV CANADA or NAV CANADA US Subsidiary from, directly or indirectly, (i) engaging in any activities pursuant to any agreement, contract or other arrangement which NAV

CANADA, NAV CANADA US Subsidiary or any of their respective predecessor entities is a party to or bound by as of the date such Member became a Member (the Effective Date, the A&R Effective Date or the Third A&R Effective Date, as the case may be), or (ii) own, acquire, use and sell air traffic control surveillance data from radar, ADS-B and other technologies; *provided*, *further, however*, that notwithstanding anything to the contrary set forth herein, nothing in this Section 5.9 shall be deemed to restrict or prohibit Iridium from, directly or indirectly, engaging in any activities pursuant to any agreement, contract or other arrangement which Iridium or any of its respective predecessor entities is a party to or bound by as of the date such Member became a Member (the Effective Date, the A&R Effective Date or the Third A&R Effective Date, as the case may be); *provided*, *further, however*, that notwithstanding anything to the contrary set forth herein, nothing in this Section 5.9 shall be deemed to restrict or prohibit any Additional Investor or its respective Additional Investors Subsidiary from, directly or indirectly, (i) engaging in any activities pursuant to any agreement, contract or other arrangement which such Additional Investor, its respective Additional Investors Subsidiary or any of their respective predecessor entities is a party to or bound by as of the date such Member became a Member (the Effective Date, the A&R Effective Date or the Third A&R Effective Date, as the case may be), or (ii) own, acquire, use and sell air traffic control surveillance data from radar, ADS-B and other technologies. For the purpose of this Section 5.9 it is agreed that any surveillance system that is not satellite-based shall not be deemed as competing with the Aireon business.

5.10 Non-Solicitation. Each Member, NAV CANADA and each Additional Investor severally but not jointly agrees for itself not to, directly or through others, solicit or attempt to solicit any employee, consultant, or independent contractor of the Company to terminate their relationship with the Company in order to become an employee, consultant or independent contractor to or for any other person or entity; *provided* that no Member shall be restricted from (i) making any general solicitation for employment that is not specifically directed at any such employee, consultant, or independent contractor, (ii) hiring any such employee, consultant, or independent contractor who responds to any such general solicitation (including by a bona fide search firm), or (iii) hiring any former employee, consultant, or independent contractor of the Company who has been terminated by the Company or any of its subsidiaries prior to commencement of employment discussions between such Member and such person.

5.11 Meetings.

5.11.1 Place of Meetings. Meetings of the Members shall be held at such place, either within or without the State of Delaware, as may be designated from time to time by the Board of Directors in the sole discretion of the Board of Directors.

5.11.2 Annual Meeting. The Board of Directors may elect to hold annual meetings of Members and shall have the authority to determine, in the sole discretion of the Board of Directors, which business shall be conducted at such meetings, including whether any matters will be submitted to a vote of Members.

5.11.3 Special Meetings. Special meetings of the Members may be called, for any purpose or purposes, by the Board of Directors, and shall be held at such place, on such date, and at such time as the Board of Directors shall fix.

5.11.4 Notice of Meetings. Except as otherwise provided by law, written notice of each meeting of Members shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each Member entitled to vote at such meeting, such notice to specify the place, date and hour and purpose or purposes of the meeting. Notice of the time, place and purpose of any meeting of Members may be waived in writing, signed by the person entitled to notice thereof, either before or after such meeting, and will be waived by any Member by his attendance thereat in person or by proxy, except when the Member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any Member so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

5.11.5 Quorum. At all meetings of Members, except where otherwise provided by statute or by the Certificate, or by this Agreement, the presence, in person or by proxy duly authorized, of a Majority-In-Interest of the Members in each class of Interests having the right to vote shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of Members may be adjourned, from time to time in accordance with Section 5.11.6, but no other business shall be transacted at such meeting; *provided*, *however*, that if any meeting of the Members is adjourned or cancelled from failure to constitute a quorum, then such meeting shall be rescheduled in accordance with this Agreement to a date not less than five (5) nor more than fifteen (15) days after the originally scheduled meeting, and in this case, the Members agree that the number of Members who are present at such meeting shall constitute a quorum for all purposes. The Members present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

5.11.6 Adjournment and Notice of Adjourned Meetings. Any meeting of Members, whether annual or special, may be adjourned from time to time either by the Board of Directors or by the vote of a majority of the Interests casting votes, excluding abstentions. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Company may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting.

5.11.7 Action Without Meeting. Unless otherwise provided in the Certificate, any action required by statute to be taken at any annual or special meeting of the Members, or any action which may be taken at any annual or special meeting of the Members, may be taken without a

meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding Interests having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Interests entitled to vote thereon were present and voted.

5.11.8 Conduct of Meetings. The Board of Directors shall be entitled to make such rules or regulations for the calling and conduct of meetings of Members as the Board of Directors shall deem necessary, appropriate or convenient.

5.12 Admission of Additional Members. Subject to the terms of this Agreement, any Person may become an Additional Member of the Company by (A) the purchase of new Interests issued as permitted by the terms of this Agreement for such consideration as the Board of Directors shall determine in accordance with the terms of this Agreement or (B) the purchase of Interests of another Member in accordance with the terms of this Agreement. Each Additional Member shall: (i) agree to be bound by the provisions of this Agreement as a Member; (ii) execute and deliver such documents as the Board of Directors deem appropriate in connection therewith; and (iii) with respect to a purchase of new Interests pursuant to clause (A) of this Section 5.12, contribute to the Company the agreed upon Capital Contribution in exchange for the Interests purchased by such Additional Member. Each Additional Member shall have all the rights and obligations of a Member holding the Interests purchased by such Additional Member as specified on the Member Register. The admission of Additional Members shall not be a cause for dissolution of the Company. Upon the admission of any Additional Members pursuant to this Section 5.12, the Member Register shall be appropriately amended.

5.13 Rights to Information. Members shall have the right to receive from the Chief Executive Officer, upon request, a copy of the Certificate and of this Agreement, as amended from time to time, and such other information regarding the Company as is required by the Act, subject to reasonable conditions and standards established by the Board of Directors or Chief Executive Officer as permitted by the Act, which may include, without limitation, withholding of, or restrictions on, the use of confidential information.

5.14 Iridium Undertaking; Suspension of Iridium Payments.

5.14.1 For so long as the Iridium Credit Agreement continues in effect and the Company is a "Subsidiary" (as defined in the Iridium Credit Agreement) of Iridium, Iridium shall, and shall cause its subsidiaries and Affiliates to, cause the Company (x) not to be subject to or become a guarantor under the Iridium Credit Agreement or (y) for so long as the Company is a "Subsidiary" (as defined in the Iridium Credit Agreement) of Iridium, to be an Excluded Company. Promptly after (and in no event later than the immediately following Business Day after) becoming aware of any actions, facts, conditions, circumstances or changes that would reasonably be expected to result in the Company (i) becoming subject to or a guarantor under the Iridium Credit Agreement or (ii) for so long as the Company is a "Subsidiary" (as defined in the Iridium Credit Agreement)

of Iridium, ceasing to be an Excluded Company, Iridium shall deliver written notice to the Company, NAV CANADA US Subsidiary and the Additional Investors Subsidiaries (the **"*Trigger Event Notice*"**) setting forth in reasonable detail any such actions, facts, conditions, circumstances or changes.

5.14.2 Commencing upon the occurrence of the Trigger Event, the Company shall not make, and Iridium acknowledges, confirms and agrees that it shall not demand, receive or accept from the Company, directly or indirectly, any payment to Iridium or any of its Affiliates of any nature, whether as distributions, dividends, Hosting Cost Reimbursements or other fees or compensation pursuant to any agreement, arrangement or otherwise, until all applicable Redemption Price payable to Members holding Redeemable Interest pursuant to Section 3.6.3.1.2 has been paid in full.

ARTICLE 6
BOARD OF DIRECTORS

6.1 Generally. Except as specifically set forth in this Agreement, the Members hereby delegate all power and authority to manage the business and affairs of the Company to the Directors, who shall act as the managers of the Company subject to and in accordance with the terms of this Agreement. Such Directors shall constitute the **"*Board of Directors*"** and such term may be used in this Agreement to refer to such Directors. Such term is used for convenience only and is not intended by the parties to confer to the Board of Directors any additional power or authority other than that expressly and specifically conferred pursuant to and in accordance with the terms of this Agreement. The Directors shall in all cases act as a group through actions in meetings of the Board of Directors and shall have no authority to act individually. The Board of Directors may adopt such rules and procedures for the management of the Company not inconsistent with this Agreement or the Act. Any power not otherwise delegated pursuant to this Agreement or by the Board of Directors in accordance with the terms of this Agreement shall remain with the Board of Directors.

6.2 Number of Directors. The Board of Directors of the Company shall consist of eleven (11) Directors who shall be elected by the Members as follows:

Each Member agrees that such Member will vote all of its Interests at each election of Directors in favor of: (A) two (2) persons nominated by Iridium (each, an **"*Iridium Director*"***)*, for so long as Iridium holds at least 13% of the Fully Diluted Company Voting Interests (provided that (i) if Iridium ceases to hold at least 13% of the Fully Diluted Company Voting Interests, but holds at least 5% of the Fully Diluted Company Voting Interests, then Iridium shall be entitled to designate only one (1) Iridium Director); (B) five (5) persons nominated by NAV CANADA (each, a **"*NAV CANADA Director*"***)*, for so long as NAV CANADA US Subsidiary holds at least 35% of the Fully Diluted Company Voting Interests *(provided* that (i) if NAV CANADA US Subsidiary ceases to hold at least 35% of the Fully Diluted Company Voting Interests, but holds at least 30% of the Fully Diluted Company Voting Interests, then NAV CANADA shall be entitled to designate only four (4) NAV CANADA Directors, (ii) if NAV CANADA US Subsidiary ceases to hold at least 30% of the Fully Diluted Company Voting Interests, but holds at least 15% of the Fully Diluted Company Voting

Interests, then NAV CANADA shall be entitled to designate only three (3) NAV CANADA Directors, and (iii) if NAV CANADA US Subsidiary ceases to hold at least 15% of the Fully Diluted Company Voting Interests, but holds at least 5% of the Fully Diluted Company Voting Interests, then NAV CANADA shall be entitled to designate only one (1) NAV CANADA Director); (C) one (1) person nominated by Enav, for so long as Enav US Subsidiary holds at least 5% of the Fully Diluted Company Voting Interests (such person or any other person nominated by Enav to be a Director pursuant to this Section 6.2, an **"*Enav Director*"**); (D) one (1) person nominated by NATS, for so long as NATS US Subsidiary holds at least 5% of the Fully Diluted Company Voting Interests (such person or any other person nominated by NATS to be a Director pursuant to this Section 6.2, a **"*NATS Director*"**); (E) one (1) person nominated by IAA and Naviair, collectively, for so long as IAA US Subsidiary and Naviair Subsidiary collectively hold at least 5% of the Fully Diluted Company Voting Interests (such person or any other person nominated by IAA and Naviair, collectively, to be a Director pursuant to this Section 6.2, an **"*IAA/Naviair Director*",** and together with the Enav Director and NATS Director, collectively or individually, pursuant to the terms hereof, referred to herein as the **"*Additional Investors Directors*")**; and (F) the Chief Executive Officer of the Company.

6.2.1 In the event that any of Iridium, NAV CANADA or any Additional Investor ceases to be entitled to designate any Iridium Director, NAV CANADA Director or any Additional Investors Director described in the foregoing clauses of this Section 6.2, each Member agrees that such Member will vote all of its Interests at each election of Directors in favor of one or more individuals nominated by a Majority-In-Interest of the Members to replace such Iridium Director, NAV CANADA Director or Additional Investors Director, as applicable.

6.2.2 Except as specifically set forth in this Agreement and subject to Section 6.12.3.1, the number of authorized Directors may be changed from time to time upon the approval of a majority of the members of the Board of Directors.

6.3 Tenure. The Iridium Directors shall serve until the earlier of their respective (i) removal and/or replacement by the Members, based upon Iridium's nomination, in accordance with Section 6.2, (ii) resignation, or (iii) death. The NAV CANADA Directors shall serve until the earlier of their respective (i) removal and/or replacement by the Members, based upon NAV CANADA's nomination, in accordance with Section 6.2, (ii) resignation, or (iii) death. The Additional Investors Director(s) shall serve until the earlier of their respective (i) removal and/or replacement by the Members, based upon the nomination by the applicable Additional Investor(s), in accordance with Section 6.2, (ii) resignation, or (iii) death. The Chief Executive Officer of the Company shall serve until the earlier of his or her respective (i) termination as the Chief Executive Officer of the Company for any reason or for no reason, (ii) removal or replacement by the Board of Directors of the Company, (iii) resignation, or (iv) death.

6.4 Resignation; Removal. A Director may resign at any time by giving written notice to the other Directors. The resignation of a Director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; unless otherwise specified therein, the

acceptance of such resignation shall not be necessary to make it effective. A Director nominated by one or more Members pursuant to the terms of Section 6.2 may only be removed by those Members who appointed such Director in the first place.

6.5 Vacancies. Upon the resignation, retirement, death or removal of any Director, the Member who had the right to nominate such Director in the first place pursuant to Section 6.2 will designate a replacement Director.

6.6 Meetings.

6.6.1 Regular meetings of the Board of Directors shall be held at such times, mutually convenient places and dates as determined by the Board of Directors. The officers and other executives of the Company may attend meetings of the Board of Directors with the prior approval of the Board of Directors.

6.6.2 Directors may participate in a meeting through use of conference telephone or similar communication equipment, so long as all Directors participating in such meeting can hear one another. Such participation constitutes presence in person at such meeting.

6.6.3 Special meetings of the Board of Directors for any purpose may be called by any two (2) Directors.

6.6.4 Each Director shall receive notice of the date, time and place of all meetings of the Board of Directors at least ten (10) Business Days (twenty-four (24) hours if given personally by e-mail, or by facsimile; provided that if less than ten (10) Business Days' notice is given, any matter voted upon at the meeting shall require the vote of at least one (1) NAV CANADA Director (to the extent there is a NAV CANADA Director), one (1) Iridium Director (to the extent there is an Iridium Director) and each Additional Investor Director (to the extent there is an Additional Investor Director)) before the meeting. Such notice shall be delivered in writing (which may be by e-mail, or by facsimile) to each Director. Such notice may be given by the Secretary of the Company or by the person or persons who called the meeting. Such notice shall specify the purpose of the meeting. Notice of any meeting of the Board of Directors need not be given to any Director who signs a waiver of notice of such meeting or a consent to holding the meeting, either before or after the meeting, or who attends the meeting without protesting prior to such meeting or at the commencement thereof. All such waivers, consents and approvals shall be filed with the records of the Company.

6.6.5 Meetings of the Board of Directors may be held at any place that has been designated in the notice of the meeting.

6.6.6 Any meeting of the Board of Directors, whether or not a quorum is present, may be adjourned to another time and place by the affirmative vote of at least a majority of the Directors present. If the meeting is adjourned for more than twenty-four (24) hours, notice of such

adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

6.6.7 Any action required or permitted to be taken by the Board of Directors may be taken without a meeting of the Board of Directors, if the Directors required for taking such action consent in writing or by electronic transmission to such action; provided that notice of such action and written consent has been provided to all Directors. Such written consent or consents or transmission or transmissions shall be filed with the corporate records of the Company. Such action by written consent shall have the same force and effect as a vote of the Directors.

6.7 Quorum and Transaction of Business. The number of Directors that constitutes a quorum for the transaction of business at a properly noticed meeting of the Board of Directors shall be a majority of the number of Directors then in office; *provided* that a quorum shall include at least one (1) Director from at least three (3) out of the following four (4) categories: (a) one (1) Iridium Director (to the extent Iridium is entitled to nominate an Iridium Director), (b) one (1) NAV CANADA Director (to the extent NAV CANADA is entitled to nominate a NAV CANADA Director), (c) one (1) Enav Director (to the extent Enav is entitled to nominate an Enav Director), (d) one (1) IAA/Naviair Director (to the extent IAA and Naviair, collectively, are entitled to nominate an IAA/Naviair Director) and (e) one (1) NATS Director (to the extent NATS is entitled to nominate a NATS Director); *provided*, *however*, that if any meeting of the Board of Directors is adjourned or cancelled from failure to constitute a quorum due to the absence thereat of any such categories of Directors, then such meeting shall be rescheduled in accordance with this Agreement to a date not less than five (5) nor more than fifteen (15) days after the originally scheduled meeting, and in this case, the Members agree that the number of Directors who are present at such second meeting shall constitute a quorum for all purposes. Except as required by the Act or as otherwise set forth in this Agreement (including, without limitation, Section 6.12), the affirmative vote of at least a majority of the Directors then in office shall constitute the act of the Directors.

6.8 Directors Have No Exclusive Duty to Company. Notwithstanding any duty existing at law or in equity (including any fiduciary duties), the Directors shall not be required to manage the Company as their sole and exclusive function, and, subject to Section 5.10 of this Agreement, the Directors may have other business interests and may engage in other activities in addition to those relating to the Company. Neither the Company nor any Member shall have any right, by virtue of this Agreement, to share or participate in such other investments or activities of the Directors or to the income or proceeds derived therefrom.

6.9 Exculpation of Directors. Neither any Director nor any affiliate of any Director shall be liable to the Members for any act or failure to act pursuant to this Agreement, except where such act or failure to act constitutes a breach of this Agreement, gross negligence or willful misconduct and has not been expressly authorized by the Members. The Directors shall be entitled to rely upon the advice of legal counsel, the Accounting Firm and other experts, including financial

advisors, and any act of or failure to act by the Directors in good faith reliance on such advice shall in no event subject the Directors or any such other person to liability to the Company or any Member.

6.10 Creation of Committees. The Board of Directors may create committees (including, without limitation, an audit committee) to assist the Board of Directors and the officers in the governance of areas of importance to the Company; *provided* that each such committee shall consist of at least one (1) Iridium Director (to the extent Iridium is entitled to nominate an Iridium Director), one (1) NAV CANADA Director (to the extent NAV CANADA is entitled to nominate a NAV CANADA Director), and one (1) Additional Investors Director (to the extent the Additional Investors are entitled to nominate an Additional Investors Director), unless such requirement is waived by Iridium, NAV CANADA or the Additional Investors, respectively, with respect to any such committee. Subject to the terms of this Agreement (including, without limitation, Section 6.12), such committees shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees. Each member of any such committee shall be a Director.

6.11 Reimbursement of Expenses; D&O Insurance. The Company shall reimburse the Directors for all reasonable travel and accommodation expenses incurred in connection with the performance of their duties as Directors of the Company upon presentation of appropriate documentation therefor. The Company shall maintain after the date hereof a directors' liability insurance policy that is reasonably acceptable to NAV CANADA.

6.12 Certain Actions Requiring Prior Approval of Certain Directors.

6.12.1 Notwithstanding anything to the contrary set forth herein and without limiting the general authority of the Board of Directors to manage the Company pursuant to Section 6.1 or the Act, the following actions and decisions, and all other actions and decisions necessary, advisable or appropriate in connection therewith, may only be taken or made at the direction, or with the approval or consent, of the Board of Directors, including the approval or consent of at least one (1) Iridium Director (to the extent there is an Iridium Director), one (1) NAV CANADA Director (to the extent there is a NAV CANADA Director) and each Additional Investor Director then holding a seat on the Board of Directors:

6.12.1.1 The consolidation, liquidation, winding up or Dissolution of the Company pursuant to Article 10 or any other Liquidation Event;

6.12.1.2 The sale of all of the Interests of the Company or a merger of the Company with another entity, unless immediately following the merger (i) the Members control a majority of the voting securities of the surviving entity, and (ii) the control of the surviving entity by the Members is governed by this Agreement or an agreement with substantially the same governance rights for the Member (a **"*Sale*"**);

6.12.1.3 The sale, transfer, lease or other disposition of all or substantially all the assets of the Company (an "***Asset Transfer***");

6.12.1.4 The amendment, modification, waiver or repeal of any provision of this Agreement; and

6.12.1.5 Entering into an agreement to do any of the foregoing set forth in this Section 6.12.1.

6.12.2 Notwithstanding anything to the contrary set forth herein and without limiting the general authority of the Board of Directors to manage the Company pursuant to Section 6.1 or the Act, the following actions and decisions, and all other actions and decisions necessary, advisable or appropriate in connection therewith, may only be taken or made at the direction, or with the approval or consent, of at least sixty-six and two-thirds percent (66 2/3%) of the members of the Board of Directors present at a meeting, including (i) the approval or consent of at least one (1) Iridium Director (to the extent there is an Iridium Director), (ii) the approval or consent of at least one (1) NAV CANADA Director (to the extent there is a NAV CANADA Director) and (iii) the approval or consent of at least one (1) Additional Investors Director (to the extent there is an Additional Investors Director):

6.12.2.1 Change the Primary Business of the Company, enter new lines of business, or exit the current line of business;

6.12.2.2 Determining that an adjustment to Book Value for one of the events listed in Section (ii)a of the definition of Book Value is not necessary to reflect the relative economic interests of the Members in the Company.

6.12.2.3 Directing the Company to use a method of allocation other than the "remedial method" with respect to tax items attributable to any book-tax differences under Section 4.4; and

6.12.2.4 Entering into an agreement to do any of the foregoing set forth in this Section 6.12.2.

6.12.3 Notwithstanding anything to the contrary set forth herein and without limiting the general authority of the Board of Directors to manage the Company pursuant to Section 6.1 or the Act, the following actions and decisions, and all other actions and decisions necessary, advisable or appropriate in connection therewith, may only be taken or made at the direction, or with the approval or consent, of at least sixty-six and two-thirds percent (66 2/3%) of the members of the Board of Directors present at a meeting, including (i) until the Mandatory Iridium Redemption has occurred, the approval or consent of at least one (1) Iridium Director (to the extent there is an Iridium Director) and (ii) for so long as NAV CANADA US Subsidiary and its Affiliates collectively hold

at least 40% of the Fully Diluted Company Voting Interests, at least one (1) NAV CANADA Director (to the extent there is a NAV CANADA Director):

6.12.3.1 Any change to the number of authorized Directors;

6.12.3.2 The issuance of any Interests or any Interest Equivalents by the Company;

6.12.3.3 The conversion of the Company into another type of entity, including any Reorganization Plan; and

6.12.3.4 Entering into an agreement to do any of the foregoing set forth in this Section 6.12.3.

6.12.4 Notwithstanding anything to the contrary set forth herein and without limiting the general authority of the Board of Directors to manage the Company pursuant to Section 6.1 or the Act, the following actions and decisions, and all other actions and decisions necessary, advisable or appropriate in connection therewith, may only be taken or made at the direction, or with the approval or consent, of (i) until the Mandatory Iridium Redemption has occurred, at least sixty-six and two-thirds (66 2/3%) of the members of the Board of Directors present at a meeting, including the approval or consent of at least one (1) Iridium Director (to the extent there is an Iridium Director) and at least one (1) NAV CANADA Director (to the extent there is a NAV CANADA Director), and (ii) following the completion of the Mandatory Iridium Redemption, at least a majority of the members of the Board of Directors present at a meeting; *provided, however*, that with respect to any approvals related to actions set forth in Section 6.12.4.4 occurring after the Mandatory Iridium Redemption, shall require at least a majority of the disinterested members of the Board of Directors:

6.12.4.1 The adoption of a new Budget or any material change to the Budget or any action that would reasonably be expected to result in any material deviation from the Budget;

6.12.4.2 The incurring or guaranteeing of any indebtedness by the Company not otherwise set forth in the Budget or pledging or encumbering any material assets of the Company;

6.12.4.3 The hiring or discharging of any executive officers of the Company;

6.12.4.4 The entering into, amendment or termination of any contract of the Company with any Member, officer, director, employee of the Company or their respective Affiliates; *provided* that, any employment agreement that does not provide for an annual salary exceeding $100,000 shall not require approval of the Board of Directors;

6.12.4.5 The amount and timing of distributions by the Company other than distribution of Accrued Dividends, if any; *provided* that, any payment of Accrued Dividends shall require the approval of one (1) Iridium Director unless all Hosting Cost Reimbursements under the Hosting Cost Reimbursement Agreement have been paid; *provided further*, that notwithstanding anything to the contrary in the foregoing provisos, the accrual of Accrued Dividends and the payment by the Company of Unpaid Dividends pursuant to Section 4.1.2 or upon IPO Conversion or Mandatory Redemption in accordance with the terms of this Agreement shall not be affected by the fact that the Hosting Cost Reimbursements have not been paid in full or any default, deferral or failure of payment of Hosting Cost Reimbursements exists or has occurred;

6.12.4.6 The adoption of, or amendment, modification, waiver or repeal of any provision of any incentive plan and the granting of, or the delegation of the power to grant, any rights under such plan; and

6.12.4.7 Entering into an agreement to do any of the foregoing set forth in this Section 6.12.4.

6.12.5 Notwithstanding anything to the contrary set forth herein and without limiting the general authority of the Board of Directors to manage the Company pursuant to Section 6.1 or the Act, the following actions and decisions, and all other actions and decisions necessary, advisable or appropriate in connection therewith, may only be taken or made at the direction, or with the approval or consent, of at least sixty-six and two-thirds (66 2/3%) of the members of the Board of Directors present at a meeting:

6.12.5.1 Any modifications to the composition of, responsibilities of or elimination of the Strategic Advisory Committee; provided that in no event shall such action be taken prior to February 14, 2019; and

6.12.5.2 Entering into an agreement to do any of the foregoing set forth in this Section 6.12.5.

6.12.6 Notwithstanding anything to the contrary set forth herein and without limiting the general authority of the Board of Directors to manage the Company pursuant to Section 6.1 or the Act, the following actions and decisions, and all other actions and decisions necessary, advisable or appropriate in connection therewith, may only be taken or made at the direction, or with the approval or consent, of at least a majority of the members of the Board of Directors present at a meeting, including the approval or consent of at least one (1) Iridium Director (to the extent there is an Iridium Director) and at least one (1) NAV CANADA Director (to the extent there is a NAV CANADA Director):

6.12.6.1 The entering into, amendment or termination of any customer contract of the Company having more favorable pricing terms than the contracts with customers in

effect on the Third A&R Effective Date (or any contract that establishes pricing for new services provided to or by the Company); and

6.12.6.2 Entering into an agreement to do any of the foregoing set forth in this Section 6.12.6.

6.12.7 Notwithstanding anything to the contrary set forth herein and without limiting the general authority of the Board of Directors to manage the Company pursuant to Section 6.1 or the Act, the following actions and decisions, and all other actions and decisions necessary, advisable or appropriate in connection therewith, may only be taken or made at the direction, or with the approval or consent, of the Board of Directors present at a meeting, including the approval or consent of at least one (1) NAV CANADA Director (to the extent there is a NAV CANADA Director), for so long as NAV CANADA holds at least 30% of the Fully Diluted Company Voting Interests:

6.12.7.1 The selection of an appraiser to value the Company, any Interests or any Transferred Interest;

6.12.7.2 The valuation of assets of the Company in a liquidation or Dissolution;

6.12.7.3 The removal and replacement of liquidators for the Company;

6.12.7.4 Distributions or payments to a Member in redemption of his/her/its Interests, other than the Mandatory Redemption and the Mandatory Iridium Redemption; and

6.12.7.5 Entering into an agreement to do any of the foregoing set forth in this Section 6.12.7;

6.12.8 The following actions and decisions, and all other actions and decisions necessary, advisable or appropriate in connection therewith, may only be taken or made at the direction, or with the approval or consent, of the Board of Directors, including the approval or consent of at least one (1) NAV CANADA Director (to the extent there is a NAV CANADA Director), for so long as NAV CANADA holds at least 30% of the Fully Diluted Company Voting Interests:

6.12.8.1 Except as permitted under the Company's investment policy (the **"*Investment Policy*"**), the Company making any loan or advance to, or owning any stock or other securities of, any subsidiary or other corporation, partnership, or other entity unless it is wholly owned by the Company;

6.12.8.2 Making any loan or advance to any Person, including, any employee or Director of the Company, except advances for business expenses and similar expenditures in the ordinary course of business;

6.12.8.3 Except as permitted under the Company's Investment Policy, the Company making any acquisition of securities of a Person or all or a material amount of the assets of a business or Person for an aggregate consideration in excess of $25,000 or make any investment in securities or with any other Person in excess of $25,000;

6.12.8.4 Enter into or be a party to any transaction with any Director, officer or employee of the Company or any Affiliate or family member of any such Person;

6.12.8.5 Sell, transfer, license, pledge or encumber technology or intellectual property, other than licenses granted in the ordinary course of business, except for pledges or encumbrances in connection with the incurrence of debt by the Company approved in accordance with the terms of this Agreement;

6.12.8.6 Initiate or settle any material suit, claim or cause of action;

6.12.8.7 Appointment or change to the Accounting Firm or changes to the accounting policies and procedures of the Company; and

6.12.8.8 Entering into an agreement to do any of the foregoing set forth in this Section 6.12.8.

6.12.9 Notwithstanding any provisions of this Section 6.12 or any other provisions of this Agreement to the contrary, any amendment, or waiver with respect to, the rights or obligations of the Members under the Agreement that would affect any Member in a manner materially, adversely and disproportionately different from the effects of such amendment or waiver on the other Members will require the approval of such Member so materially, adversely and disproportionately affected. Without limiting the foregoing, and not withstanding Section 6.12.3.1, in no event shall the Company change the size of the Board of Directors so that it eliminates any Additional Investor's right to nominate a Director or reduces Iridium's or NAV CANADA's right to nominate its Directors without the approval of the applicable Member.

ARTICLE 7
OFFICERS

7.1 Appointment of Officers. The Board of Directors may appoint the Chief Executive Officer and President of the Company, which may be the same person. The Board of Directors may delegate their day-to-day management responsibilities to the Chief Executive Officer and President, and such officers shall have the authority set forth in any enabling resolutions by the Board of Directors. The Chief Executive Officer may appoint the other officers of the Company (collectively, with the Chief Executive Officer and President, the **"*Company Officers*"**) that may include, but shall not be limited to: (a) one or more Executive Vice Presidents or Vice Presidents; (b) Secretary; and (c) Treasurer or Chief Financial Officer. The Chief Executive Officer may delegate his day-to-day management responsibilities to any such officers, and such officers shall have the authority so

delegated. Each officer shall have the same fiduciary duties that such officer would have if the Company were a Delaware corporation and such officer were a corresponding officer of that corporation.

7.2 Tenure and Duties of Officers. The Chief Executive Officer and President shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. The Chief Executive Officer and President may be removed at any time by the Board of Directors. All officers, other than the Chief Executive Officer and President, shall hold office at the pleasure of the Chief Executive Officer and until their successors shall have been duly elected and qualified, unless sooner removed. Any such officer may be removed at any time by the Chief Executive Officer. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors or the Chief Executive Officer, as applicable, in accordance with Section 7.1.

7.2.1 Duties of Chief Executive Officer. The Chief Executive Officer shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Company. The Chief Executive Officer shall perform other duties commonly incident to a president of a Delaware corporation and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time. The Chief Executive Officer, if nominated by any Member pursuant to Section 6.2, may be a Director.

7.2.2 Duties of President. The President shall preside at all meetings of the Members and of the Board of Directors, unless the Chairman of the Board of Directors or the Chief Executive Officer has been appointed and is present. Unless some other officer has been elected Chief Executive Officer of the Company, the President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Company. The President shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

7.2.3 Duties of Vice Presidents. The Vice Presidents may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant. The Vice Presidents shall perform other duties commonly incident to a vice president of a Delaware corporation and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

7.2.4 Duties of Secretary. The Secretary shall attend all meetings of the Members and the Board of Directors, and shall record all acts and proceedings thereof in the minute book of the Company. The Secretary shall give notice in conformity with this Agreement of all meetings of the Members and the Board of Directors requiring notice. The Secretary shall perform all other duties given him or her in this Agreement and other duties commonly incident to a secretary of a Delaware corporation and shall also perform such other duties and have such other powers as the

Board of Directors shall designate from time to time. The President may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to the office of assistant secretary in a Delaware corporation and shall also perform such other duties and have such other powers as the Board of Directors, the Chief Executive Officer, or the President shall designate from time to time.

7.2.5 Duties of Chief Financial Officer or Treasurer. The Chief Financial Officer or Treasurer shall keep or cause to be kept the books of account of the Company in a thorough and proper manner, and shall render statements of the financial affairs of the Company in such form and as often as required by this Agreement, the Board of Directors or the President. The Chief Financial Officer or Treasurer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the Company. The Chief Financial Officer or Treasurer shall perform other duties commonly incident to the office of Chief Financial Officer or Treasurer in a Delaware corporation and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time. The President may direct any Assistant Treasurer to assume and perform the duties of the Chief Financial Officer or Treasurer in the absence or disability of the Chief Financial Officer or Treasurer, and each Assistant Treasurer shall perform other duties commonly incident to the office the Chief Financial Officer or Treasurer of a Delaware corporation and shall also perform such other duties and have such other powers as the Board of Directors, the Chief Executive Officer, or the President shall designate from time to time.

7.3 Tenure of Officers and Committee Members. The officers, committee members shall hold office at the pleasure of the Board of Directors.

7.4 Approval of Board of Directors. No officer of the Company shall cause the Company to take any action without the approval of the Board of Directors if such action would require the approval of the Board of Directors pursuant to the terms of this Agreement or otherwise if the Company were a Delaware corporation.

7.5 Strategic Advisory Committee. Each of Iridium, NAV CANADA, Enav, IAA, Naviair and NATS will appoint one lead member to serve on a Strategic Advisory Committee (the **"*Strategic Advisory Committee*"**), which shall advise and support the Chief Executive Officer and management team of the Company on the creation of the Company's strategic plan, its long-term operating plan and the Budget for approval by the Company's Board of Directors. The Strategic Advisory Committee shall be advisory in nature only and shall be subject to the terms of this Agreement. The Strategic Advisory Committee shall meet two (2) times per year, unless additional meetings are requested by the Company's Chief Executive Officer. All actions, consents or approvals of the Strategic Advisory Committee shall require a majority of its members serving at the time such action, consent or approval is taken, which actions, consents or approvals may be carried out by telephone, facsimile or electronic mail or other means reasonably acceptable to the Company's Board of Directors. If, on or after February 14, 2019, any Members find that the Strategic Advisory

Committee is interfering with the responsibilities of the Company's Chief Executive Officer or the Board of Directors in a manner that is not beneficial for the working of the Company, then the Board of Directors may elect to modify the composition of, responsibilities of or eliminate the Strategic Advisory Committee with the approval or consent, of at least sixty-six and two-thirds percent (66 2/3%) of the members of the Board of Directors of the Company present at a meeting, as provided in Section 6.12.5.1.

ARTICLE 8
LIABILITY; INDEMNIFICATION

8.1 Limited Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and the Members and the Directors of the Company shall not be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member or Director of the Company.

8.2 Indemnification.

8.2.1 No Director or Company Officer of the Company shall be liable, in damages or otherwise, to the Company or any Member for any act or omission performed or omitted to be performed by it in good faith (except for fraud or willful misconduct) pursuant to the authority granted to such Director or Company Officer of the Company by this Agreement or by the Act.

8.2.2 To the fullest extent permitted by the laws of the State of Delaware and any other applicable laws, the Company shall indemnify and hold harmless the Directors and each Company Officer (each, an "***Indemnitee***"), from and against any and all losses, claims, demands, costs, damages, liabilities (joint or several), expenses of any nature (including reasonable attorneys' fees and disbursements), judgments, fines, settlements and other amounts *(*"***Damages***") arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which an Indemnitee may be involved, or threatened to be involved, as a party or otherwise, arising out of or incidental to the business of the Company, regardless of whether an Indemnitee continues to be a Director or an Company Officer or an agent of the Company at the time any such liability or expense is paid or incurred, except for any Damages based upon, arising from or in connection with any act or omission of an Indemnitee committed without authority granted pursuant to this Agreement or in bad faith or otherwise constituting fraud or willful misconduct.

8.2.3 Expenses (including reasonable attorneys' fees and disbursements) incurred in defending any claim, demand, action, suit or proceeding, whether civil, criminal, administrative or investigative, subject to Section 8.2.2 hereof, may be paid (or caused to be paid) by the Company in advance of the final disposition of such claim, demand, action, suit or proceeding upon receipt of an undertaking by or on behalf of the Indemnitee to repay such amount if it shall ultimately be determined, by a court of competent jurisdiction from which no further appeal may be taken or the

time for any appeal has lapsed (or otherwise, as the case may be), that the Indemnitee is not entitled to be indemnified by the Company as authorized hereunder or is not entitled to such expense reimbursement.

8.2.4 Any indemnification hereunder shall be satisfied only out of the assets of the Company, and the Members shall not be subject to personal liability by reason of these indemnification provisions.

8.2.5 The indemnification provided by this Section 8.2 shall be in addition to any other rights to which each Indemnitee may be entitled under any agreement or vote of the Members, as a matter of law or otherwise, both as to action in the Indemnitee's capacity as a Member or as an officer, director, employee, shareholder, member or partner of a Member or of an Affiliate, and shall inure to the benefit of the heirs, successors, assigns, administrators and personal representatives of the Indemnitee.

8.2.6 The Company may purchase and maintain insurance on behalf of one (1) or more Indemnitees and other Persons against any liability which may be asserted against, or expense which may be incurred by, any such Person in connection with the Company's activities, whether or not the Company would have the power to indemnify such Person against such liability under the provisions of this Agreement.

8.2.7 An Indemnitee shall not be denied indemnification in whole or in part under this Section 8.2 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

8.2.8 The provisions of this Section 8.2 are for the benefit of each Indemnitee and its heirs, successors, assigns, administrators and personal representatives, and shall not be deemed to create any rights for the benefit of any other Persons.

ARTICLE 9
ACCOUNTING

9.1 Fiscal Year. The fiscal year and taxable year of the Company (the "***Fiscal Year***") shall be the calendar year, unless the Board of Directors in its discretion designates a different Fiscal Year.

9.2 Books and Accounts.

9.2.1 Complete and accurate books and accounts shall be kept and maintained for the Company at its principal place of business or at such other place as designated by the Board of Directors. Such books and accounts shall be kept on the cash or accrual basis, as the Board of Directors may select in accordance with GAAP and shall include separate accounts for each Member. A list of the names and addresses of the Members shall be maintained as part of the books and records of the Company. The books, records and accounts of the Company shall reflect the

Company's operations, income, gain, loss, cost, deduction, liability, assets and equity. The books and records of the Company shall be audited annually by the Accounting Firm.

9.2.2 All funds received by the Company shall be deposited in the name of the Company in such bank account or accounts as the Board of Directors may designate from time to time, and withdrawals therefrom shall be made upon the signature of the authorized signatory on behalf of the Company as the Board of Directors may designate from time to time. All deposits and other funds not needed in the operation of the Company's business may, in the discretion of the Board of Directors, be invested as determined to be appropriate by the Board of Directors.

9.3 Tax Matters Partner; Partnership Representative.

9.3.1 Tax Matters Partner. With respect to periods not governed by changes to the Code enacted by the Bi-partisan Budget Act of 2015, Iridium shall serve as the "tax matters partner" for purposes of Section 6231 of the Code, provided that the tax matters partner shall be subject to the control of the Board of Directors and shall not undertake any action, including those expressly authorized under the Code and Treasury Regulations relating to the authority of a tax matters partner, unless expressly authorized by the Board of Directors. The tax matters partner will notify the Board of Directors promptly after the receipt of notice of commencement of any audit or other proceeding involving the Company, and the Board of Directors, NAV CANADA US Subsidiary and Iridium (to the extent that it is no longer tax matters partner) shall be entitled to participate fully in any such audit or other proceeding involving the Company. The Board of Directors may appoint a new tax matters partner at any time in its sole discretion. Promptly following the written request of the tax matters partner, the Company shall, to the fullest extent permitted by law, reimburse and indemnify the tax matters partner for all reasonable expenses, including reasonable legal and accounting fees, claims, liabilities, losses and damages incurred by the tax matters partner in connection with any administrative or judicial proceeding with respect to the tax liability of the Members.

9.3.2 Partnership Representative. With respect to periods governed by the Code as amended by the Bi-partisan Budget Act of 2015, Iridium or a person designated (and approved by the Board of Directors) by it is hereby designated the "***Partnership Representative***" (as defined in Section 6223 of the Code, as amended by the Bi-partisan Budget Act of 2015 ("***BBA Amendments***")) and is authorized and required to represent the Company (at the Company's expense), subject to the direction and supervision of the Board of Directors and the restrictions set forth in this Section 9.3.2, in connection with all examinations of the Company's affairs by tax authorities, including any resulting administrative and judicial proceedings, and to expend Company funds for professional services reasonably incurred in connection therewith. The Partnership Representative shall have the sole authority to act on behalf of the Company for purposes of the BBA Amendments and comparable provisions of state or local income tax laws. The Board of Directors may appoint a new Partnership Representative at any time in its sole discretion. Each Member and former Member that held any Interest during the reviewed Fiscal Year (an "***Interested***

Member") agrees to cooperate reasonably with the Company and to do or refrain from doing any or all things reasonably requested by the Company with respect to the conduct of such proceedings. The Partnership Representative shall inform the Interested Members within 30 days of the initiation of an audit, examination or other proceeding by a tax authority and shall keep the Interested Members reasonably informed of the progress of any examinations, audits or other proceedings, shall provide the Interested Members with information on a full and timely basis, and shall not settle any examination or controversy concerning the Company's affairs by tax authorities that could reasonably be expected to materially and adversely affect any Interested Member without the written consent of such Interested Member, which consent shall not be unreasonably withheld or delayed.

9.3.3 Minimizing the Impact of Adjustments. To the extent allowable under the BBA Amendments and subject to the direction and approval of the Board of Directors, the Partnership Representative shall use its reasonable best efforts to minimize the financial burden of any partnership adjustment to each Interested Member, through the application of the procedures established pursuant to Code Section 6225(c) or through an election and the furnishing of statements pursuant to Code Section 6226, provided that the Partnership Representative shall not make an election and furnish statements pursuant to Code Section 6226 if doing so would preclude a contest of any partnership adjustment that was approved pursuant to this Section 9.3.2; and provided further, that the Interested Member provides the Company with all required or necessary information and statements.

9.3.4 Financial Burden of Tax Adjustments. The financial burden of any imputed underpayment and associated interest, adjustments to tax and penalties arising from a partnership adjustment that are imposed on the Company, and the cost of contesting any such partnership adjustment, shall be borne by the Interested Members based on their Interests during the reviewed Fiscal Year, as reasonably determined by the Board of Directors in accordance with this Section 9.3.4.

(a) Such apportionment shall be based on the manner in which the Interested Members shared the adjusted tax items for the reviewed year and taking into account the extent to which the Company's imputed underpayment was modified by adjustments under Section 6225(c) (to the extent approved by the IRS) and attributable to (i) a particular Interested Member's tax classification, tax rates, tax attributes, the character of tax items to which the adjustment relates, and similar factors, or (ii) the Interested Member's filing of an amended return for the Interested Member's taxable year that includes the end of the Company's reviewed year and payment of required tax liability in a manner that complies with Section 6225(c)(2). To the extent an imputed underpayment results from the reallocation of the distributive share of any Company tax item from one Interested Member to another, the Interested Member(s) whose shares of any item of income or gain are increased, or whose shares of any item of loss, deduction or credit are decreased, shall be treated as bearing the economic burden of such imputed underpayment.

(b) If the Company incurs an obligation to pay directly any amount in respect of taxes with respect to amounts allocated or distributed to one or more Members, including but

not limited to withholding taxes imposed on any Member's or former Member's share of the Company gross or net income and gains (or items thereof), income taxes, and any interest, penalties or additions to tax ("***Tax Liability***"), or if the amount of a payment or distribution of cash or other property to the Company is reduced as a result of withholding by other parties in satisfaction of any such Tax Liability, then:

(i) all payments by the Company in satisfaction of such Tax Liability and all reductions in the amount of a payment or distribution that the Company otherwise would have received shall be treated, pursuant to this Section 9.3.4(b)(i), as distributed to those Interested Members to which the related Tax Liability is attributable; and

(ii) either (x) notwithstanding any other provision of this Agreement, subsequent distributions to the Members shall be adjusted by the Company in an equitable manner so that, to the extent feasible, the burden of taxes withheld at the source or paid by the Company is borne by those Members to which such Tax Liabilities are attributable; or (y) the Company in its sole discretion may cause any amount treated pursuant to Section 9.3.4(b)(i) as distributed to any Interested Member at any time that exceeds the amount, if any, of distributions to which such Interested Member is then entitled under this Agreement to be treated as a loan to such Interested Member, and the Company shall give prompt written notice to such Interested Member of the amount of such loan.

(c) Each Member covenants and agrees, for itself and its successors and assigns, to repay any loan described in Section 9.3.4(b)(ii) not later than thirty (30) days after the Company delivers a written demand for such repayment (whether before or after the withdrawal of such Member from the Company or the dissolution of the Company). If any such repayment is not made within such thirty-day (30-day) period, the loan shall bear interest at the Prime Rate for the entire period commencing on the date on which the Company paid such amount and ending on the date on which the loan is repaid to the Company together with all accrued but previously unpaid interest, and the Company, at the discretion of the Chief Executive Officer, may collect such unpaid amounts (including interest) from any distributions that otherwise would be made by the Company to such Interested Member, treating the amount so collected as having been distributed to such Interested Member.

9.3.5 Indemnification of Partnership Representative. Promptly following the written request of the Partnership Representative, the Company shall, to the fullest extent permitted by law, reimburse and indemnify the Partnership Representative for all reasonable expenses, including reasonable legal and accounting fees, claims, liabilities, losses and damages incurred by the tax matters partner in connection with any administrative or judicial proceeding with respect to the tax liability of the Interested Members.

9.3.6 Survival. This Section 9.3 and each Member's obligations hereunder shall survive such Member's ceasing to be a Member in the Company, any transfer of a Member's Interest, and/or the termination, dissolution, liquidation and winding up of the Company.

9.4 Tax Reports. No less than forty-five (45) days prior to the extended due date for the filing of the Company's income tax return for each taxable year of the Company, the Company will provide to each Member a Form 1065 (Schedule K-1) reflecting the Member's share of income, loss, credit and deductions for such taxable year. No more than sixty (60) days after the end of the Company's tax year, the Company will provide to each Member K-1 estimates. On a periodic basis, the Company shall provide any information reasonably required by the Members, as determined by the Board of Directors, in order to comply with estimated tax requirements.

9.5 Reserves. Reasonable cash reserves may be established from time to time by the Chief Financial Officer or Treasurer, with the approval of the Board of Directors.

9.6 Company Funds. The Company may not commingle the Company's funds with the funds of any Member, or the funds of any Relation or Affiliate of any Member.

ARTICLE 10
DISSOLUTION; TERMINATION; SALE; CONVERSION

10.1 Dissolution.

10.1.1 The Company shall survive in perpetuity and shall not be dissolved except upon the approval of the Board of Directors and any Member approval required under this Agreement, or at any time there are no members of the Company, unless the Company is continued without dissolution in accordance with the Act, or upon a judicial decree of dissolution (a **"*Dissolution*"**). Dissolution of the Company shall be effective on the date of such event (unless otherwise specified in such approval), but the Company shall not terminate until the assets of the Company shall have been distributed as provided herein and a certificate of cancellation of the Company has been filed with the Secretary of State of the State of Delaware.

10.1.2 On Dissolution of the Company, a Person shall be designated by the Board of Directors to act as liquidator(s) (who shall be a liquidating trustee within the meaning of the Act). The liquidator(s) shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidator(s) shall continue to operate the Company properties with all of the power and authority of Members and the Board of Directors; *provided, however*, that such liquidator(s) may be removed and replaced at any time and for any reason by the Board of Directors. The steps to be accomplished by the liquidator(s) are as follows:

10.1.2.1 The liquidator(s) shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including, without limitation, all expenses incurred in liquidation) or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine).

10.1.2.2 Thereafter, all remaining assets of the Company shall be distributed to the Members in the manner and priority set forth in Section 4.1.2 of this Agreement.

10.1.3 On completion of the distribution of Company assets as provided herein, the Company is terminated, and shall conduct only such activities as are necessary to wind up its affairs. The liquidator shall file a certificate of cancellation with the Secretary of State of the State of Delaware, cancel any other relevant filings and take such other actions as may be necessary to terminate the Company.

10.2 Merger or Sale of Interests. In the event that the Board of Directors determines that it would be in the best interests of the Members to complete a Sale, the Board of Directors shall adopt a plan of merger or sale (the **"*Sale Plan*"**) to effectuate such transaction. If the requisite approval of the Members under this Agreement is obtained for such Sale Plan, then subject to this Section 10.2, each Member shall take whatever reasonable action is required under such Reorganization Plan to effect the transactions contemplated therein. Except as otherwise provided in a duly approved Sale Plan, in connection with such transaction each Member shall participate in the proceeds of such transaction in the manner and priority set forth in Section 4.1.2.

10.2.1 Notwithstanding the foregoing, the NAV CANADA US Subsidiary shall have the right in any transaction that otherwise would involve a disposition of all or a portion of the NAV CANADA US Subsidiary's Interests to elect that the NAV CANADA US Subsidiary Stockholder sell all or a corresponding portion, as applicable, of its NAV CANADA US Subsidiary stock to the prospective buyer in lieu of a sale of the NAV CANADA US Subsidiary's Interests.

10.3 Conversion to Corporate Form. In the event that the Board of Directors determines that it would be advisable for the Company to convert or reorganize into the corporate form of organization, the Board of Directors shall, on behalf of the Company, formulate a plan of conversion or reorganization (the **"*Reorganization Plan*"**) to effectuate such conversion. The Reorganization Plan shall only be approved by the Board of Directors to the extent that it is tax efficient for the Members. If the requisite Member approval is obtained for such Reorganization Plan, then subject to this Section 10.3, each Member shall take whatever reasonable action is required under such Reorganization Plan to effect the transactions contemplated therein. Except as otherwise provided in a duly approved Reorganization Plan, in such conversion:

10.3.1 Subject to Section 10.3.3, if such Reorganization Plan is other than in connection with an initial public offering of the Company, then:

10.3.1.1 Each Member shall receive, with respect to such Member's Preferred Interests, convertible and redeemable preferred stock of the successor corporation equivalent to the fully-diluted Interests represented by such Member's Preferred Interests immediately prior to the conversion and having a liquidation preference equal to the sum of such Member's Unreturned Capital plus such Member's accrued and unpaid Accrued Dividend, if any,

as of such time, but, after satisfaction of such liquidation preference, no right to receive participating distributions along with the common stock on an as-converted basis;

10.3.1.2 Each Member shall receive, with respect to such Member's Non-Voting Preferred Interests, non-voting preferred stock, with substantially the same rights and restrictions as set forth in the applicable Addendum of Designation, of the successor corporation equivalent to the fully-diluted Interests represented by such Member's Preferred Interests immediately prior to the conversion and having a liquidation preference equal to the sum of such Member's Unreturned Capital plus such Member's accrued and unpaid Accrued Dividend, if any, as of such time, but, after satisfaction of such liquidation preference, no right to receive participating distributions along with the common stock on an as-converted basis;

10.3.1.3 Each Member shall receive, with respect to such Member's Common Interests, common stock of the successor corporation having the same fully-diluted percentage of rights to dividends and other distributions and rights to participate in the proceeds of any sale of shares equivalent to the fully-diluted Interests represented by such Member's Common Interests immediately prior to the conversion, *provided that*, any such right shall be reduced or otherwise subordinated to preferred stock of the successor corporation; and

10.3.1.4 Each Member shall receive with respect to such Member's Interests: (A) relative voting rights equivalent to those of such Interests; (B) the same restrictions on transfer as were applicable to such Interests prior to the conversion; (C) the same vesting, forfeiture and repurchase restrictions as were applicable to such Interests prior to the conversion; and (D) any other rights or restrictions as were applicable to such Interests prior to the conversion.

10.3.2 Subject to Section 10.3.3, if such Reorganization Plan is in connection with an initial public offering of the Company or a successor entity to the Company (the "***IPO Entity***"), then each Member will receive common stock (or comparable equity securities) of the IPO Entity equal to the number of shares of common stock such Member holding Non-Voting Preferred Interests, Preferred Interests or Common Interests would have received pursuant to Section 10.3.1.1 (upon conversion of such preferred stock issued pursuant thereto, and any Accrued Dividend shall be paid to such Members upon such conversion pursuant to Section 5.4.4) and 10.3.1.2, respectively. The voting rights, transfer restrictions, information rights and investor rights applicable to the Members after any such conversion in connection with an initial public offering shall be as set forth in this Agreement, or as otherwise approved by the Board and the Members in accordance with this Agreement.

10.3.3 Notwithstanding the foregoing, in the event of a conversion to corporate form, whether or not in connection with an initial public offering, NAV CANADA US Subsidiary shall have the right to effect a transaction that is treated as the contribution of NAV CANADA US Subsidiary stock by NAV CANADA US Subsidiary Stockholder to the successor corporation or IPO Entity, with the result that NAV CANADA US Subsidiary Stockholder shall hold directly

interests in the successor corporation or IPO Entity, as applicable, and shall have the same rights, and be subject to the same restrictions, as NAV CANADA US Subsidiary would under Section 10.3.1 or Section 10.3.2 if NAV CANADA US Subsidiary stock were not contributed; provided that, to the extent practicable, NAV CANADA's rights under this Section 10.3.3 shall be implemented in a manner that does not result in materially adverse tax consequences for the other Members.

ARTICLE 11
TRANSFER RESTRICTIONS

11.1 In General.

11.1.1 Each Member agrees not to make any Transfer of all or any Interests in the Company in contravention to the provisions of this Article 11, except that Transfers to a Permitted Transferee shall be permitted to the extent such Transfer(s) do not create a termination under Section 708(b)(1)(B) of the Code.

11.1.1.1 For an individual Member, a **"*Permitted Transferee*"** is such Member's Relations or any entity established by such Member solely for the benefit of such Member and such Member's Relations. For all Members acting substantially concurrently or collectively, **"*Permitted Transferee*"** will also include a parent holding company that will own 100% of the Interests and in turn will be owned by the Members.

11.1.1.2 For a Member that is not an individual, a **"*Permitted Transferee*"** is another entity that is an Affiliate of such Member.

11.1.2 Any attempted Transfer by any Person of an interest or right, or any part thereof, in or in respect of the Company other than in accordance with this Article 11 shall be, and is hereby declared, null and void *ab initio*.

11.1.3 A Person to whom an interest in the Company is transferred in accordance with this Agreement has the right to be admitted to the Company as a Member only upon execution by the transferee of such instruments as the Board of Directors, may deem necessary or advisable to effect the admission of such transferee as a Member, including, without limitation, the written acceptance and adoption by such transferee of the provisions of this Agreement and any other agreement to which the transferring Member is bound with respect to the transferred interest.

11.2 Right of First Refusal.

11.2.1 Except for a Transfer to a Permitted Transferee, no Member shall Transfer any of the Interests or any right or interest therein except by a Transfer which meets the requirements hereinafter set forth in this Section 11.2:

11.2.1.1 If any Member (the **"*ROFR Seller*"**) desires to Transfer any of his/her/its Interests, then such Member shall first give written notice thereof to the Company (the

"*First ROFR Sale Notice*"). The First ROFR Sale Notice shall name the proposed transferee and state the amount of Interests to be transferred, the proposed consideration, and all other terms and conditions of the proposed Transfer.

11.2.1.2 For forty-five (45) days following receipt of the First ROFR Sale Notice, the Company shall have the option to purchase all (but not less than all) of the Interests specified in the notice at the price and upon the terms set forth in such notice; *provided, however*, that, with the consent of the ROFR Seller, the Company shall have the option to purchase a lesser portion of the Interests specified in the First ROFR Sale Notice at the price and upon the terms set forth therein. In the event the Company elects to purchase all of the Interests or, with consent of the ROFR Seller, a lesser portion of the Interests, it shall give written notice to the ROFR Seller of its election and settlement for said Interests shall be made as provided below.

11.2.1.3 The Company may not assign its rights hereunder.

11.2.1.4 In the event the Company elects to acquire any of the Interests of the ROFR Seller as specified in the First ROFR Sale Notice, the Company shall so notify the ROFR Seller and settlement thereof shall be made in cash within forty-five (45) days after the Company receives the First ROFR Sale Notice; *provided* that if the terms of payment set forth in the First ROFR Sale Notice were other than cash against delivery, the Company shall pay for said Interests on the same terms and conditions set forth in the First ROFR Sale Notice but in any event, settlement thereof shall be made within forty-five (45) days after the Company receives the First ROFR Sale Notice.

11.2.1.5 In the event that the Company does not elect to acquire all of the Interests specified in the First ROFR Sale Notice, the ROFR Seller shall promptly give written notice (the **"*Second ROFR Sale Notice*"**) to the other Members holding Voting Interests, which shall set forth the amount of Interests not purchased by the Company and which shall include the terms of notice set forth in the First ROFR Sale Notice. Each other Member holding Voting Interests shall then have the right, exercisable upon written notice to the ROFR Seller (the **"*ROFR Buy Notice*"**) within thirty (30) days after the receipt of the Second ROFR Sale Notice, to purchase its pro rata portion of the Interests subject to the Second ROFR Sale Notice and on the same terms and conditions as set forth therein. The Members holding Voting Interests who so exercise their rights shall effect the purchase of the Interests, including payment of the purchase price, not more than fifteen (15) days after delivery of the ROFR Buy Notice. Each other Member holding Voting Interests shall be entitled to assign the rights under this Section 11.2 to any Affiliates of such Member.

11.2.1.6 In the event that not all of the other Members holding Voting Interests elect to purchase their *pro rata* share of the ROFR Seller's Interests specified in the Second ROFR Sale Notice, then the ROFR Seller shall give written notice to each of the Members holding Voting Interests who so exercised their rights to purchase their *pro rata* portion (the **"*Participating Members*"**) within twenty (20) days following the expiration of the period of time for such Members

holding Voting Interests to send the ROFR Buy Notice (the **"*Overallotment Notice*"**), which shall set forth the amount of Interests not purchased by the Company and the other Members holding Voting Interests, and shall offer such Participating Members the right to acquire such unsubscribed Interests. Each Participating Member shall have five (5) days after receipt of the Overallotment Notice to deliver a written notice to the ROFR Seller (the **"*Participating Members Overallotment Notice*"**) indicating the amount of unsubscribed Interests that such Participating Member desires to purchase, and each such Participating Member shall be entitled to purchase such amount of unsubscribed Interests on the same terms and conditions as set forth in the Second ROFR Sale Notice. In the event that the Participating Members desire, in the aggregate, to purchase in excess of the total amount of available unsubscribed Interests, then the amount of unsubscribed Interests that each Participating Member may purchase shall be reduced on a *pro rata* basis. The Participating Members shall then effect the purchase of the ROFR Seller's Interests, including payment of the purchase price, not more than five (5) days after delivery of the Participating Members Overallotment Notice.

11.2.1.7 In the event the Company does not elect to acquire all of the Interests specified in the First ROFR Sale Notice, the other Members holding Voting Interests do not elect to acquire all of the Interests specified in the Second ROFR Sale Notice and the Participating Members do not elect to acquire all of the Interests specified in the Overallotment Notice, the ROFR Seller may, within the 60-day period following the expiration of the option rights granted to the Company, the other Members holding Voting Interests and the Participating Members herein, Transfer the Interests specified in the Overallotment Notice which were not acquired by either the Company, the other Members holding Voting Interests or the Participating Members as specified in the Overallotment Notice. All Interests so sold by said ROFR Seller shall continue to be subject to the provisions of this Agreement in the same manner as before said Transfer.

11.2.2 Any attempted Transfer by any Person of an interest or right, or any part thereof, in or in respect of the Company other than in accordance with this Section 11.2 shall be, and is hereby declared, null and void *ab initio*. The obligations under this Section 11.2 shall terminate upon the occurrence of a Qualified IPO or the consolidation, liquidation, winding up or Dissolution of the Company pursuant to Article 10.

ARTICLE 12
OTHER INVESTOR RIGHTS

12.1 NAV CANADA Protective Provisions.

12.1.1 Notwithstanding anything in this Agreement to the contrary, the Company will not take any of the following actions without the prior written approval of NAV CANADA US Subsidiary, for so long as NAV CANADA US Subsidiary and its Affiliates collectively hold Preferred Interests equal to at least 5% of the Fully Diluted Company Voting Interests:

12.1.1.1 any consolidation, liquidation, winding up or Dissolution of the Company pursuant to Article 10 or any other Liquidation Event;

12.1.1.2 any amendment, modification, waiver or repeal of any provision of this Agreement;

12.1.1.3 any creation or authorization of or issuance or authorization of the issuance of any other security of the Company, including any security convertible into or exercisable for any equity security, having rights, preferences or privileges senior to or *pari passu* with the Preferred Interests;

12.1.1.4 the purchase of or redemption of or making of any distribution (other than in accordance with, and as permitted by, this Agreement) on account of any equity of the Company in priority to or *pari passu* with any Accrued Dividends, other than securities or other interests repurchased from former employees or consultants in connection with the cessation of their employment/services at fair market value;

12.1.1.5 any Asset Transfer;

12.1.1.6 any Sale;

12.1.1.7 the change to the number of authorized Directors;

12.1.1.8 incurring or guaranteeing of any material indebtedness by the Company;

12.1.1.9 the adoption of, or amendment, modification, waiver or repeal of any provision of the Plan;

12.1.1.10 any registration of Common Interest or any equity securities of the Company (or any successor entity, including the IPO Entity) into which the Common Interests are convertible or exchangeable under the Securities Act or any other securities laws in any applicable jurisdictions pursuant to which the Company or any such successor entity proposes to conduct an initial public offering; and

12.1.1.11 entering into an agreement to do any of the foregoing set forth in this Section 12.1.1.

12.2 Information Rights.

12.2.1 The Company shall, and shall cause each of its officers, Directors, employees, Accounting Firm, Affiliates and other representatives to provide Iridium, NAV CANADA US Subsidiary, Enav US Subsidiary, IAA US Subsidiary, Naviair Subsidiary, NATS US Subsidiary and each holder of more than 10% of the Fully Diluted Company Voting Interests, and their and its

respective officers, directors, employees, accountants, Affiliates and representatives (the **"*Information Rights Holders*"**), reasonable access during normal business hours to the Company's officers, Directors, employees, agents, properties, offices, books, contracts, reports, records, personnel and other facilities, and give them access to, such documents, financial date, records and information of the Company as Iridium, NAV CANADA US Subsidiary and any such holder of more than 10% of the Fully Diluted Company Voting Interests from time to time may reasonably request.

12.2.2 The Company will provide Iridium, NAV CANADA US Subsidiary and the Additional Investors Subsidiaries with the following materials for review:

12.2.2.1 Prior to the filing thereof, the Company's federal and state income tax returns (and relevant schedules); and

12.2.2.2 Any proposed amendment to or revision of the Budget.

12.2.3 The Company will provide each Information Rights Holder with the following materials for review:

12.2.3.1 As soon as practicable after the end of the first, second and third quarterly accounting periods in each Fiscal Year of the Company and in any event within forty-five (45) days thereafter, a consolidated balance sheet of the Company and its subsidiaries as of the end of such quarterly period, and consolidated statements of income and cash flow of the Company and its subsidiaries for the current Fiscal Year to date, in each case prepared in accordance with GAAP (other than for accompanying notes and subject to changes resulting from normal year-end audit adjustments) and setting forth in each case in comparative form the figures for the same periods of the previous Fiscal Year, all in reasonable detail and signed by the principal financial or accounting officer of the Company;

12.2.3.2 As soon as practicable after the end of each Fiscal Year, and in any event within one hundred twenty (120) days thereafter, an audited consolidated balance sheet of the Company and its subsidiaries as of the end of such Fiscal Year, and consolidated statements of income and cash flow of the Company and its subsidiaries for such Fiscal Year, prepared in accordance with GAAP and setting forth in each case in comparative form the figures for the previous Fiscal Year, all in reasonable detail and audited by the Accounting Firm;

12.2.3.3 As soon as practicable, copies of the package distributed to the Board of Directors in connection with meetings of the Board of Directors; and

12.2.3.4 As soon as practicable upon request, such other information as such Information Rights Holder may request from time to time in connection with such Information Rights Holder's public reporting requirements.

12.3 Drag Along Right. In the event the Members holding at least 85% of Voting Interests (the **"*Drag Along Holders*"**) determine to sell or otherwise dispose of all or substantially all of the assets of the Company or all or fifty percent (50%) or more of the Voting Interests, in each case in a transaction constituting a change in control of the Company, to any non-Affiliate(s) of the Company or any of the Drag Along Holders, or to cause the Company to merge with or into or consolidate with any non-Affiliate(s) of the Company or any of the Drag Along Holders (in each case, the **"*Drag Along Buyer*"**) in a bona fide negotiated transaction (a **"*Drag Along Sale*"**), each of the Members, including any of its successors as contemplated herein, shall be obligated to and shall upon the written request of the Drag Along Holders:

(a) sell, transfer and deliver, or cause to be sold, transferred and delivered, to the Drag Along Buyer, its Interests on substantially the same terms applicable to the Drag Along Holders; and

(b) execute and deliver such instruments of conveyance and transfer and take such other action, including voting such Interests, if applicable, in favor of any Drag Along Sale proposed by the Drag Along Holders and executing any purchase agreements, merger agreements, indemnity agreements, escrow agreements or related documents, as the Drag Along Holders or the Drag Along Buyer may reasonably require in order to carry out the terms and provisions of this Section 12.3, *provided* that NAV CANADA US Subsidiary shall have the right to elect that NAV CANADA US Subsidiary Stockholder participate in the Drag-Along Sale by selling its NAV CANADA US Subsidiary stock (and/or the equity of any direct or indirect corporate parent of NAV CANADA US Subsidiary whose only asset is ownership of NAV CANADA US Subsidiary) to the prospective buyer in lieu of a transfer of NAV CANADA US Subsidiary's Interests thereto, and the purchase price payable by the prospective buyer for such NAV CANADA US Subsidiary stock shall be equal to the price that would have been payable in the Drag Along Sale with respect to NAV CANADA US Subsidiary's Interests. The obligations under this Section 12.3 shall terminate upon the occurrence of a Qualified IPO or the consolidation, liquidation, winding up or Dissolution of the Company pursuant to Article 10.

12.4 Tag-Along Rights. If at any time during the term of this Agreement, any transfer of Interests to a person other than a Member (and other than a Permitted Transferee) is permitted pursuant to Section 11.2 or otherwise (a **"*Tag-Along Sale*"** and the Member proposing such transfer, a **"*Tag-Along Seller*"**), then at least twenty (20) days prior to the date proposed for such Tag-Along Sale, the Tag-Along Seller shall provide to each other Member holding Voting Interests and to NAV CANADA US Subsidiary Stockholder a notice (the **"*Tag-Along Notice*"**) stating the terms and conditions of such proposed Tag-Along Sale (including the amount of Interests to be transferred, the kind and amount of consideration to be paid for such Interests and the name of the proposed purchaser) and offer the other Members holding Voting Interests the opportunity to participate in such Tag-Along Sale in accordance with this Section 12.4 on the same economic terms and conditions as the Tag-Along Seller; *provided* that any indemnities to be provided by the Members shall be on a several, and not joint, basis; *provided further* that this Section 12.4 shall not apply to any transfer pursuant to any agreement or plan of merger or combination that is approved by the Board of

Directors; *provided further* that NAV CANADA US Subsidiary shall have the right to elect that NAV CANADA US Subsidiary Stockholder participate in the Tag-Along Sale by selling its NAV CANADA US Subsidiary stock (and/or the equity of any direct or indirect corporate parent of NAV CANADA US Subsidiary whose only asset is ownership of NAV CANADA US Subsidiary) to the prospective buyer in lieu of a transfer of NAV CANADA US Subsidiary's Interests thereto, and the purchase price payable by the prospective buyer for such NAV CANADA US Subsidiary stock shall be equal to the price that would have been payable in the Tag-Along Sale with respect to NAV CANADA US Subsidiary's Interests.

12.4.1 Within ten (10) Business Days of its receipt of the Tag-Along Notice, each Member holding Voting Interests that has elected (each such electing Member, a **"*Tagging Member*"**) to participate in the Tag-Along Sale shall notify the Tag-Along Seller and the Company of its election. Each Tagging Member shall have the right to transfer to the proposed purchaser up to its pro rata share of the Interests being sold in the Tag Along Sale.

12.4.2 Any notification by a Tagging Member pursuant to Section 12.4 shall be a final and binding commitment of such Tagging Member to participate in such Tag-Along Sale; *provided, however*, that in the event there is a material change in the terms and conditions of the Tag-Along Sale, the Tag-Along Seller shall give written notice of such change to each Tagging Member, and each Tagging Member shall thereafter have the right to revoke its election to participate in the Tag-Along Sale by providing written notice to the Tag-Along Seller within two (2) Business Days of receiving the notice of such change.

12.4.3 Notwithstanding anything contained in this Section 12.4, there shall be no liability on the part of the Tag-Along Seller to the Tagging Members if the transfer of the Interests of the Tag-Along Seller pursuant to this Section 12.4 is not consummated for any reason. The obligations under this Section 12.4 shall terminate upon the occurrence of a Qualified IPO or the consolidation, liquidation, winding up or Dissolution of the Company pursuant to Article 10.

12.5 Preemptive Right. In the event the Company proposes to undertake an issuance of any Interests not currently reflected on *Schedule A*, the Company shall give written notice of its intention to the Members holding Voting Interests (the **"*Preemptive Holders*"**), describing the terms on which the proposed Interests will be issued.

12.5.1 Each such Preemptive Holder shall have twenty (20) days from the date of such notice to agree to purchase up to its pro rata share (determined based upon the Interests held by such Preemptive Holder) of such proposed issuance on the terms specified in the notice by giving notice to the Company and stating therein the quantity of such proposed issuance to be purchased by the Preemptive Holder (the **"*Preemptive Purchase Notice*"**).

12.5.2 Each Preemptive Holder may also indicate in its Preemptive Purchase Notice, if it so elects, its desire to participate in the purchase of the Interests in excess of its pro rata share

if any other Preemptive Holder or Preemptive Holders declines to purchase its pro rata share or purchases less than its full pro rata share. Each Preemptive Holder who so indicates shall be deemed to have agreed to purchase the Interests not purchased by other Preemptive Holders in proportion to their pro rata share.

12.5.3 In the event the Preemptive Holders do not exercise the right of first refusal with respect to the entire proposed offering, the Company shall have ninety (90) days thereafter to sell or enter into agreement (pursuant to which the sale of the Interests covered thereby shall be closed, if at all, within thirty (30) days from the date of said agreement) to sell the Interests respecting the portion not purchased by the Preemptive Holders under the right of first refusal on the terms no more favorable to the purchasers of such Interests than specified in the notice. In the event the Company has not sold the Interests or entered into an agreement to sell the Interests within said ninety (90) day period (or sold and issued Interests in accordance with the foregoing within thirty (30) days from the date of said agreement), the Company shall not thereafter issue any Interests (other than those set forth on ***Schedule A***), without first offering such securities in the manner provided above.

12.5.4 This preemptive right shall terminate upon the closing of a Qualified IPO or the consolidation, liquidation, winding up or Dissolution of the Company pursuant to Article 10.

12.5.5 No Preemptive Holder shall be permitted to exercise any rights granted pursuant to this Section 12.5 unless, at the time such additional Interests are offered and sold by the Company, such Preemptive Holder is an accredited investor (as such term is defined in the Securities Act of 1933 or the rules and regulations promulgated thereunder).

12.6 Registration Rights. Those holders of Interests described in Exhibit 1 attached hereto shall have the registration rights set forth in such Exhibit 1. Those holders of Non-Voting Preferred Interests shall have the registration rights, if any, set forth in the applicable Addendum of Designation.

12.7 Business Activity Qualifications. Except for any jurisdiction in which the Company or any of its subsidiaries currently conduct business, the Company shall use commercially reasonable efforts to limit its activities in any jurisdictions where, if the Company or any of its subsidiaries were required by the laws of such jurisdiction to qualify to do business in such jurisdiction, such qualification would have adverse tax implications for NAV CANADA US Subsidiary, NAV CANADA, the Additional Investors, the Additional Investors Subsidiaries or Iridium. Notwithstanding the foregoing, if the Company's business activities require the Company to qualify in any such jurisdiction in order to comply with applicable law, then the Company shall not be prohibited from qualifying to do business in such jurisdiction.

ARTICLE 13
MISCELLANEOUS

13.1 Offset. Whenever the Company is obligated to make a distribution or payment to any Member, any amounts that Member owes the Company may be deducted from said distribution or before payment by the Company.

13.2 Notices. Any and all notices, consents, offers, elections and other communications required or permitted under this Agreement shall be deemed adequately given only if in writing and the same shall be delivered either:

13.2.1 by hand, e-mail or facsimile; or

13.2.2 by mail or Federal Express or similar expedited commercial carrier, addressed to the recipient of the notice, postage prepaid and registered or certified with return receipt requested (if by mail), or with all freight charges prepaid (if by Federal Express or similar carrier).

13.2.3 All notices, demands, and requests to be sent hereunder shall be deemed to have been given for all purposes of this Agreement upon the date of receipt or refusal. All such notices, demands and requests shall be addressed: (i) if to the Company, at its principal executive offices; or (ii) if to a Member, at the address set forth on the Member Register attached hereto or to such other address as such Member may have designated for himself, herself or itself by written notice to the Company in the manner herein prescribed.

13.3 Word Meanings; Construction. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires. Unless otherwise indicated, all references to articles and Sections refer to articles and Sections of this Agreement, and all references to Schedules are to schedules attached hereto, each of which is made a part hereof for all purposes.

13.4 Binding Provisions. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assigns of the respective parties hereto.

13.5 Applicable Law. This agreement is governed by and shall be construed in accordance with the laws of the State of Delaware, excluding any conflict-of-laws rule or principle that might refer the governance or the construction of this agreement to the law of another jurisdiction. In the event of a conflict between any provision of this Agreement and any non-mandatory provision of the Act, the provision of this Agreement shall control and take precedence

13.6 Jury Trial Waiver. EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER TRANSACTION DOCUMENTS. EACH PARTY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED,

EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 13.6.

13.7 Venue. Subject to Section 13.8, each of the parties hereto (i) consents to submit itself to the personal jurisdiction of (A) the United States Courts located in the State of Delaware in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement to the extent such court would have subject matter jurisdiction with respect to such dispute and (B) the courts located in the State of Delaware; (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction or venue by motion or other request for leave from any such court; (iii) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than such courts; (iv) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to a party at its address set forth in Section 13.2 or at such other address of which a party shall have been notified pursuant thereto; and (v) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law.

13.8 Dispute Resolution.

13.8.1 The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between executives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this Agreement. Any party may give the other party written notice of any dispute not resolved in the normal course of business. Within 15 days after delivery of the notice, the receiving party shall submit to the other a written response. The notice and response shall include with reasonable particularity (a) a statement of each party's position and a summary of arguments supporting that position, and (b) the name and title of the executive who will represent that party and of any other person who will accompany the executive. Within 30 days after delivery of the notice, the executives of both parties shall meet at a mutually acceptable time and place.

13.8.2 Unless otherwise agreed in writing by the negotiating parties, the above-described negotiation shall end at the close of the first meeting of executives described above (**"*First Meeting*"**). Such closure shall not preclude continuing or later negotiations, if desired.

13.8.3 All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation by any of the parties, their agents, employees, experts and attorneys are confidential, privileged and inadmissible for any purpose, including impeachment, in arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or

discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the negotiation.

13.8.4 At no time prior to the First Meeting shall either side initiate any litigation related to this Agreement except to pursue a provisional remedy that is authorized by law or by agreement of the parties. However, this limitation is inapplicable to a party if the other party refuses to comply with the requirements of Section 13.8.1 above.

13.8.5 All applicable statutes of limitation and defenses based upon the passage of time shall be tolled while the procedures specified in Sections 13.8.1 and 13.8.2 above are pending and for 15 calendar days thereafter. The parties will take such action, if any, required to effectuate such tolling.

13.8.6 If the parties do not reach a resolution to the dispute within a period of thirty (30) days from the date of the First Meeting, then either party may pursue its remedies in accordance with applicable law.

13.9 Severability of Provisions. Each Section of this Agreement constitutes a separate and distinct undertaking, covenant and/or provision hereof. In the event that any provision of this Agreement shall finally be determined to be invalid, illegal or unenforceable in any respect under any applicable law, then:

13.9.1 all such provisions shall be deemed severed from this Agreement;

13.9.2 every other provision of this Agreement shall remain in full force and effect; and

13.9.3 in substitution for any such provision held invalid, illegal or unenforceable, there shall be substituted a provision of similar import reflecting the original intent of the parties hereto to the extent permissible under applicable law.

13.10 Section Titles. Section titles are for descriptive purposes only and shall not control or alter the meaning of this Agreement as set forth in the text.

13.11 Further Assurance. The Members shall execute and deliver such further instruments and do such further acts and things as may be required to carry out the intent and purposes of this Agreement.

13.12 Directly or Indirectly. Where any provision in this Agreement refers to action to be taken by any person, or which such person is prohibited from taking, such provision shall be applicable whether the action in question is taken directly or indirectly by such person.

13.13 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement.

13.14 Effect of Waiver and Consent. A waiver or consent, express or implied, to or of any breach or default by any person in the performance by that person of its obligations hereunder or with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that person of the same or any other obligations of that person hereunder or with respect to the Company. Failure on the part of a person to complain of any act of any person or to declare any person in default hereunder or with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that person of its rights with respect to that default until the applicable statute-of-limitations period has run.

13.15 Waiver of Certain Rights. Each Member irrevocably waives any right it may have to demand any distributions (other than the Accrued Dividends, if any) or withdrawal of property from the Company or to maintain any action for dissolution (except pursuant to Section 18-802 of the Act) of the Company or for partition of the property of the Company.

13.16 Notice of Provisions. By executing this Agreement, each Member acknowledges that it has actual notice of (i) all of the provisions hereof (including, without limitation, the restrictions on Transfer set forth in Article 11), and (ii) all of the provisions of the Certificate.

13.17 Entire Agreement. This Agreement together with the other agreements and instruments entered into in connection herewith constitutes the entire agreement among the parties hereto with respect to the transactions contemplated herein, and supersedes all other prior understandings or agreements among the Members with respect to such transactions.

13.18 Amendments. Subject to Sections 3.6.6, 6.12.1.4 and 12.1.1.2, and except for amendments pursuant to Sections 3.6.2 and 5.12, the Certificate and this Agreement may only be amended in writing executed and delivered by (i) the Company with the approval of the Board of Directors in accordance with the terms hereof and (ii) a Majority-In-Interest of the Members holding Voting Interests; provided however that the holders of Non-Voting Preferred Interests shall also be included in the determination of the Majority-In-Interest of the Members the foregoing clause (ii) to the extent that any proposed amendment would materially, adversely and disproportionately affect the rights and privileges of the holders of Non-Voting Preferred Interests, which are subject to Section 6.12.9.

13.19 Remedies. The Members acknowledge and agree that, in addition to all other remedies available (at law or otherwise) to the Company, the Company shall be entitled to equitable relief (including injunction and specific performance) as a remedy for any breach or threatened breach of any provision of this Agreement. The Members further acknowledge and agree that the Company shall not be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section, and the Members waive

any right any of them may have to require that the Company obtain, furnish or post any such bond or similar instrument.

* * * *

IN WITNESS WHEREOF, the Company, NAV CANADA, Enav, IAA, Naviair, NATS and the undersigned Members have executed and delivered this Agreement as of the day and year first above written, and agree to and acknowledge all of its terms and those of the attached Schedules and Exhibits.

AIREON LLC

/s/ Donald L. Thoma
Name: Donald L. Thoma
Title: CEO

NAV CANADA

/s/ Alexander N. Struthers
Name: Alexander N. Struthers
Title: Executive Vice President, Finance and CFO

/s/ Neil R. Wilson
Name: Neil R. Wilson
Title: President and CEO

IRISH AVIATION AUTHORITY LIMITED

/s/ Peter Kearney
Name: Peter Kearney
Title: Chief Executive Designate

ENAV S.P.A.

/s/ Roberta Neri
Name:
Title:

NAVIAIR

/s/ Carsten Fich
Name: Carsten Fich
Title: CEO

NATS (SERVICES) LIMITED

/s/ Richard Churchill-Coleman
Name: Richard Churchill-Coleman
Title: Company Secretary

MEMBERS:

NAV CANADA SATELLITE, INC.

/s/ Alexander N. Struthers
Name: Alexander N. Struthers
Title: VP and CFO

/s/ Leigh Ann Kirby
Name: Leigh Ann Kirby
Title: VP and Secretary

ENAV NORTH ATLANTIC LLC

/s/ Jason Gerlis
Name: Jason Gerlis
Title:

IAA NORTH ATLANTIC INC.

/s/ Philip Hughes
Name: Philip Hughes
Title: President

/s/ Maeve Hogan
Name: Maeve Hogan
Title: Secretary and Treasurer

IRIDIUM SATELLITE LLC

/s/ Matthew J. Desch
Name: Matthew J. Desch
Title: Chief Executive Officer

NAVIAIR SURVEILLANCE A/S

/s/ Carsten Fich
Name: Carsten Fich
Title: Chairman

/s/ Søren Stahlfest Møller
Name: Søren Stahlfest Møller
Title: CEO

NATS (USA) INC.

/s/ Nigel Fotherby
Name: Nigel Fotherby
Title: Director

SCHEDULE A

AIREON LLC
MEMBER REGISTER
INTERESTS

Member	Capital Contribution	Preferred Interests	Common Interests	Total Interests
NAV CANADA Satellite, Inc. 77 Metcalfe Street Ottawa, Ontario Canada K1P 5L6	$150,000,000	37.198%		37.198%
ENAV North Atlantic LLC Via Salaria, 716 - 138 Rome Italy	$61,224,488	9.143%		9.143%
IAA North Atlantic Inc. The Times Building 11-12 D'Olier Street Dublin 2 Ireland	$29,387,756	4.389%		4.389%
Naviair Surveillance A/S Naviair Allé 1 DK 2770 Kastrup Denmark	$29,387,756	4.389%		4.389%
Iridium Satellite LLC 1750 Tysons Blvd. Suite 1400 McLean, VA 22102	$12,500,000	-	35.739%	35.739%
NATS (USA) Inc. 4000 Parkway W Whitely, Fareham United Kingdom	$68,750,000	9.143%		9.143%
TOTAL	$351,250,000			**100.000%**

EXHIBIT 1

REGISTRATION RIGHTS

1.1 Additional Definitions. Except as otherwise defined herein, as used in this Exhibit 1, the following terms have the following meanings:

(a) **"*Common Stock*"** means the common stock of the Company after its conversion to a corporation.

(b) **"*Company*"** means, for purposes of this Exhibit 1, the Company and any successor entity into which the Company converts for purposes of complying with this Exhibit 1.

(c) **"*Form S-3*"** means such form under the Securities Act as in effect on the date hereof or any successor or similar registration form under the Securities Act subsequently adopted by the SEC which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(d) **"*Holder*"** means any person owning of record Registrable Securities that have not been sold to the public or any assignee of record of such Registrable Securities in accordance with Section 1.9 hereof.

(e) **"*Initial Offering*"** means the Company's first firm commitment underwritten public offering of its Common Stock registered under the Securities Act.

(f) **"*Preferred Stock*"** means the preferred stock of the Company after its conversion to a corporation.

(g) **"*Register*," "*registered*,"** and **"*registration*"** refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document.

(h) **"*Registrable Securities*"** means (a) Common Stock of the Company issuable or issued upon conversion of the Company's Preferred Interest or Preferred Stock, (b) Common Stock of the Company issuable or issued upon conversion of the Company's Common Interest, and (c) any Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, such above-described securities. Notwithstanding the foregoing, Registrable Securities shall not include any securities (i) sold by a person to the public either pursuant to a registration statement or Rule 144 or (ii) sold in a private transaction in which the transferor's rights under this Exhibit 1 are not assigned.

(i) **"*Registration Expenses*"** means all expenses incurred by the Company in complying with Sections 1.2, 1.3 and 1.4 hereof, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel and accountants for the Company, transfer agents' and registrars' fees and expenses and the fees and expenses of any other agent or trustee appointed in connection with such offering, all fees and expenses payable in connection

with the listing of the securities on any securities exchange or automated interdealer quotation system or the rating of such securities, reasonable fees and disbursements of a single special counsel for the Holders, blue sky fees and expenses and the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company which shall be paid in any event by the Company).

(j) **"*SEC*"** or **"*Commission*"** means the Securities and Exchange Commission.

(k) **"*Securities Act*"** means the Securities Act of 1933, as amended.

(l) **"*Selling Expenses*"** means all underwriting discounts and selling commissions applicable to the sale.

(m) **"*Special Registration Statement*"** means (i) a registration statement relating to any employee benefit plan or (ii) with respect to any corporate reorganization or transaction under Rule 145 of the Securities Act, any registration statements related to the issuance or resale of securities issued in such a transaction.

1.2 Demand Registration.

(a) Subject to the conditions of this Section 1.2, at any time and from time to time following the date that is one hundred eighty (180) days after the consummation of the Initial Offering, if the Company shall receive a written request from the Holders of at least thirty percent (30%) of the Registrable Securities (the **"*Initiating Holders*"**) that the Company file a registration statement under the Securities Act such that the anticipated aggregate offering price, net of underwriting discounts and commissions, would constitute a Qualified IPO (each, a **"*Demand Registration*"**), then the Company shall, within thirty (30) days of the receipt thereof, give written notice of such request to all Holders, and subject to the limitations of this Section 1.2, effect, as expeditiously as reasonably possible, the registration under the Securities Act of all Registrable Securities that all Holders request to be registered.

(b) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 1.2 or any request pursuant to Section 1.4 and the Company shall include such information in the written notice referred to in Section 1.2(a) or Section 1.4(a), as applicable. In such event, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Holders of a majority of the Registrable Securities held by all Initiating Holders (which underwriter or underwriters shall be reasonably acceptable to the Company). Notwithstanding any other provision of this Section 1.2 or Section 1.4, if the underwriter advises the Company that marketing factors require a limitation of the number of securities to be underwritten (including Registrable Securities) then the Company shall so advise all Holders of Registrable Securities that would otherwise be underwritten pursuant hereto, and the number of shares that may

be included in the underwriting shall be allocated to the Holders of such Registrable Securities on a *pro rata* basis based on the number of Registrable Securities held by all such Holders (including the Initiating Holders); *provided, however*, that the number of shares of Registrable Securities to be included in such underwriting and registration shall not be reduced unless all other securities of the Company are first entirely excluded from the underwriting and registration. Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from the registration.

(c) The Company shall not be required to effect a registration pursuant to this Section 1.2:

(i) prior to the expiration of the restrictions on transfer set forth in Section 1.11 following the Initial Offering;

(ii) after the Company has effected two (2) registrations pursuant to this Section 1.2, and such registrations have been declared or ordered effective;

(iii) during the period starting with the date of filing of, and ending on the date one hundred eighty (180) days following the effective date of the registration statement pertaining to a public offering, other than pursuant to a Special Registration Statement; *provided* that the Company makes reasonable good faith efforts to cause such registration statement to become effective;

(iv) if within thirty (30) days of receipt of a written request from Initiating Holders pursuant to Section 1.2(a), the Company gives notice to the Holders of the Company's intention to file a registration statement for a public offering, other than pursuant to a Special Registration Statement within ninety (90) days;

(v) if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 1.2 a certificate signed by the Chairman of the Board of Directors stating that in the good faith judgment of the Board of Directors of the Company, it would be materially detrimental to the Company and its stockholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of not more than sixty (60) days after receipt of the request of the Initiating Holders; *provided* that such right to delay a request shall be exercised by the Company not more than twice in any twelve (12) month period;

(vi) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 1.4 below; or

(vii) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

1.3 Piggyback Registrations. The Company shall notify all Holders of Registrable Securities in writing at least fifteen (15) days prior to the filing of any registration statement under

the Securities Act for purposes of a public offering of securities of the Company (including, but not limited to, registration statements relating to secondary offerings of securities of the Company, but excluding Special Registration Statements) and will afford each such Holder an opportunity to include in such registration statement all or part of such Registrable Securities held by such Holder. Each Holder desiring to include in any such registration statement all or any part of the Registrable Securities held by it shall, within fifteen (15) days after the above-described notice from the Company, so notify the Company in writing. Such notice shall state the intended method of disposition of the Registrable Securities by such Holder. If a Holder decides not to include all of its Registrable Securities in any registration statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

(a) **Underwriting.** If the registration statement of which the Company gives notice under this Section 1.3 is for an underwritten offering, the Company shall so advise the Holders of Registrable Securities. In such event, the right of any such Holder to include Registrable Securities in a registration pursuant to this Section 1.3 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company. Notwithstanding any other provision of this Agreement, if the underwriter determines in good faith that marketing factors require a limitation of the number of shares to be underwritten, the number of shares that may be included in the underwriting shall be allocated, first, to the Company; second, to the Holders on a *pro rata* basis based on the total number of Registrable Securities held by the Holders; and third, to any stockholder of the Company (other than a Holder) on a *pro rata* basis; *provided, however*, that no such reduction shall reduce the amount of securities of the selling Holders included in the registration below thirty percent (30%) of the total amount of securities included in such registration, unless such offering is the Initial Offering and such registration does not include shares of any other selling stockholders, in which event any or all of the Registrable Securities of the Holders may be excluded in accordance with the immediately preceding clause. In no event will shares of any other selling stockholder be included in such registration that would reduce the number of shares which may be included by Holders without the written consent of Holders of not less than a majority of the Registrable Securities proposed to be sold in the offering. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter, delivered at least ten (10) Business Days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration. For any Holder which is a partnership, limited liability company or corporation, the partners, retired partners, members, retired members and stockholders of such Holder, or the estates and family members of any such partners, retired partners, members and retired members and any trusts for the benefit of any of the foregoing person shall be deemed to be a single "Holder," and any *pro rata* reduction with respect to such "Holder" shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such "Holder," as defined in this sentence.

(b) **Right to Terminate Registration**. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 1.3 whether or not any Holder has elected to include securities in such registration, and shall promptly notify any Holder that has elected to include shares in such registration of such termination or withdrawal. The Registration Expenses of such withdrawn registration shall be borne by the Company in accordance with Section 1.5 hereof.

1.4 Form S-3 Registration. In case the Company shall receive from any Holder or Holders of Registrable Securities a written request or requests that the Company effect a registration on Form S-3 (or any successor to Form S-3) or any similar short-form registration statement and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company will:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders of Registrable Securities; and

(b) as soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within fifteen (15) days after receipt of such written notice from the Company; *provided, however*, that the Company shall not be obligated to effect any such registration, qualification or compliance pursuant to this Section 1.4:

(i) if Form S-3 is not available for such offering by the Holders, or

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public of less than one million dollars ($1,000,000), or

(iii) if within thirty (30) days of receipt of a written request from any Holder or Holders pursuant to this Section 1.4, the Company gives notice to such Holder or Holders of the Company's intention to make a public offering within ninety (90) days, other than pursuant to a Special Registration Statement;

(iv) if the Company shall furnish to the Holders a certificate signed by the Chairman of the Board of Directors of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be materially detrimental to the Company and its stockholders for such Form S-3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement for a period of not more than sixty (60) days after receipt of the request of the Holder or Holders under this Section 1.4; *provided*, that such right to delay a request shall be exercised by the Company not more than twice in any twelve (12) month period,

(v) if the Company has, within the twelve (12) month period preceding the date of such request, already effected two (2) registrations on Form S-3 for the Holders pursuant to this Section 1.4, or

(vi) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

(c) Subject to the foregoing, the Company shall file a Form S-3 registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the requests of the Holders. Registrations effected pursuant to this Section 1.4 shall not be counted as demands for registration or registrations effected pursuant to Section 1.2. All Registration Expenses incurred in connection with registrations requested pursuant to this Section 1.4 after the first two (2) registrations shall be paid by the selling Holders *pro rata* in proportion to the number of shares to be sold by each such Holder in any such registration.

1.5 Expenses of Registration. Except as specifically provided herein, all Registration Expenses incurred in connection with any registration, qualification or compliance pursuant to Section 1.2, 1.3 or 1.4 herein shall be borne by the Company. All Selling Expenses incurred in connection with any registrations hereunder, shall be borne by the holders of the securities so registered *pro rata* on the basis of the number of shares so registered. The Company shall not, however, be required to pay for expenses of any registration proceeding begun pursuant to Section 1.2 or 1.4, the request of which has been subsequently withdrawn by the Initiating Holders unless (a) the withdrawal is based upon material adverse information concerning the Company of which the Initiating Holders were not aware at the time of such request or (b) the Holders of a majority of Registrable Securities agree to deem such registration to have been effected as of the date of such withdrawal for purposes of determining whether the Company shall be obligated pursuant to Section 1.2(c) or 1.4(b)(5), as applicable, to undertake any subsequent registration, in which event such right shall be forfeited by all Holders). If the Holders are required to pay the Registration Expenses, such expenses shall be borne by the holders of securities (including Registrable Securities) requesting such registration in proportion to the number of shares for which registration was requested. If the Company is required to pay the Registration Expenses of a withdrawn offering pursuant to clause (a) above, then such registration shall not be deemed to have been effected for purposes of determining whether the Company shall be obligated pursuant to Section 1.2(c) or 1.4(b)(5), as applicable, to undertake any subsequent registration.

1.6 Obligations of the Company. Whenever required to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use all reasonable efforts to cause such registration statement to become effective and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for up to thirty (30) days or, if earlier, until the Holder or Holders have completed the distribution related thereto; *provided, however*, that at any time, upon written notice to the participating Holders and for a period not to exceed sixty (60) days thereafter (the "***Suspension Period***"), the Company may delay the filing or effectiveness of

any registration statement or suspend the use or effectiveness of any registration statement (and the Initiating Holders hereby agree not to offer or sell any Registrable Securities pursuant to such registration statement during the Suspension Period) if the Company reasonably believes that there is or may be in existence material nonpublic information or events involving the Company, the failure of which to be disclosed in the prospectus included in the registration statement could result in a Violation (as defined below). In the event that the Company shall exercise its right to delay or suspend the filing or effectiveness of a registration hereunder, the applicable time period during which the registration statement is to remain effective shall be extended by a period of time equal to the duration of the Suspension Period. The Company may extend the Suspension Period for an additional consecutive sixty (60) days with the consent of the holders of a majority of the Registrable Securities registered under the applicable registration statement, which consent shall not be unreasonably withheld. In no event shall any Suspension Period, when taken together with all prior Suspension Periods, exceed 120 days in the aggregate. If so directed by the Company, all Holders registering shares under such registration statement shall (i) not offer to sell any Registrable Securities pursuant to the registration statement during the period in which the delay or suspension is in effect after receiving notice of such delay or suspension; and (ii) use their best efforts to deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holders' possession, of the prospectus relating to such Registrable Securities current at the time of receipt of such notice. Notwithstanding the foregoing, the Company shall not be required to file, cause to become effective or maintain the effectiveness of any registration statement other than a registration statement on Form S-3 that contemplates a distribution of securities on a delayed or continuous basis pursuant to Rule 415 under the Securities Act.

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement for the period set forth in subsection (a) above.

(c) Furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them.

(d) Use its reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders; *provided* that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

(e) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter(s) of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

(f) Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing. The Company will amend or supplement such prospectus in order to cause such prospectus not to include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

(g) Use its reasonable efforts to furnish, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, (i) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and (ii) a letter, dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering addressed to the underwriters.

1.7 Delay of Registration; Furnishing Information.

(a) No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 1.7.

(b) It shall be a condition precedent to the obligations of the Company to take any action pursuant to Section 1.2, 1.3 or 1.4 that the selling Holders shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of such securities as shall be required to effect the registration of their Registrable Securities.

(c) The Company shall have no obligation with respect to any registration requested pursuant to Section 1.2 or Section 1.4 if the number of shares or the anticipated aggregate offering price of the Registrable Securities to be included in the registration does not equal or exceed the number of shares or the anticipated aggregate offering price required to originally trigger the Company's obligation to initiate such registration as specified in Section 1.2 and Section 1.4, whichever is applicable.

1.8 Indemnification. In the event any Registrable Securities are included in a registration statement under Sections 1.2, 1.3 or 1.4:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners, members, officers, employees, stockholders and directors of each Holder, any underwriter (as defined in the Securities Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities (joint or several) to which they

may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a **"*Violation*"**) by the Company: (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement or incorporated reference therein, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law in connection with the offering covered by such registration statement; and the Company will reimburse each such Holder, partner, member, officer, director, underwriter or controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; *provided, however*, that the indemnity agreement contained in this Section 1.8(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by such Holder, partner, member, officer, director, underwriter or controlling person of such Holder.

(b) To the extent permitted by law, each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such registration qualifications or compliance is being effected, indemnify and hold harmless the Company, each of its directors, its officers and each person, if any, who controls the Company within the meaning of the Securities Act, any underwriter and any other Holder selling securities under such registration statement or any of such other Holder's partners, members, directors, stockholders, employees or officers or any person who controls such Holder, against any losses, claims, damages or liabilities (joint or several) to which the Company or any such director, officer, controlling person, underwriter or other such Holder, or partner, director, officer or controlling person of such other Holder may become subject under the Securities Act, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any of the following statements: (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement or incorporated reference therein, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act (collectively, a **"*Holder Violation*"**), in each case to the extent (and only to the extent) that such Holder Violation occurs in reliance upon and in conformity with written information furnished by such Holder under an instrument duly executed by such Holder and stated to be specifically for use in connection with such registration; and each such Holder will reimburse any legal or other expenses reasonably incurred by the Company or any such director, officer, controlling person, underwriter or other Holder, or partner, officer, director or controlling person of such other Holder in connection with investigating or defending

any such loss, claim, damage, liability or action if it is judicially determined that there was such a Holder Violation; *provided, however*, that the indemnity agreement contained in this Section 1.8(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; *provided further*, that in no event shall any indemnity under this Section 1.8 exceed the net proceeds from the offering received by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 1.8 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 1.8, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; *provided, however*, that an indemnified party shall have the right to retain its own counsel, with the fees and expenses thereof to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Section 1.8 to the extent, and only to the extent, prejudicial to its ability to defend such action, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 1.8.

(d) If the indemnification provided for in this Section 1.8 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any losses, claims, damages or liabilities referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party thereunder, shall to the extent permitted by applicable law contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the Violation(s) or Holder Violation(s) that resulted in such loss, claim, damage or liability, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by a court of law by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; *provided*, *that* in no event shall any contribution by a Holder hereunder exceed the net proceeds from the offering received by such Holder.

(e) The obligations of the Company and Holders under this Section 1.8 shall survive completion of any offering of Registrable Securities in a registration statement and, with respect to liability arising from an offering to which this Section 1.8 would apply that is covered by a registration filed before termination of this Agreement, such termination. No indemnifying

party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

1.9 Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities pursuant to this Section 1 may be assigned by a Holder to a transferee or assignee of Registrable Securities (for so long as such shares remain Registrable Securities) that (a) is a subsidiary, parent, general partner, limited partner, retired partner, member or retired member, or stockholder of a Holder that is a corporation, partnership or limited liability company, (b) is a Holder's family member or trust for the benefit of an individual Holder, or (c) acquires at least five hundred thousand (500,000) shares of Registrable Securities (as adjusted for stock splits and combinations); or (d) is an entity affiliated by common control (or other related entity) with such Holder *provided, however*, (i) the transferor shall, within ten (10) days after such transfer, furnish to the Company written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned and (ii) such transferee shall agree to be subject to all restrictions set forth in this Agreement.

1.10 Limitation on Subsequent Registration Rights. Except as otherwise provided in this Agreement, after the date of this Agreement, the Company shall not enter into any agreement with any holder or prospective holder of any securities of the Company that would grant such holder rights to demand the registration of shares of the Company's capital stock, or to include such shares in a registration statement that would reduce the number of shares includable by the Holders.

1.11 Market Stand-Off Agreement. Each Holder hereby agrees that such Holder shall not sell, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any Common Stock (or other securities) of the Company held by such Holder (other than those included in the registration) (i) during the 180-day period following the effective date of the Initial Offering (or such longer period, not to exceed 34 days after the expiration of the 180-day period, as the underwriters or the Company shall request in order to facilitate compliance with NASD Rule 2711 or NYSE Member Rule 472 or any successor or similar rule or regulation); *provided*, that, with respect to (i) and (ii) above, all officers and directors of the Company and holders of at least one percent (1%) of the Company's voting securities are bound by and have entered into similar agreements. The obligations described in this Section 1.11 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future.

1.12 Agreement to Furnish Information. Each Holder agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter that are consistent with the Holder's obligations under Section 1.11 or that are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, each Holder shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to

a registration statement filed under the Securities Act. The obligations described in Section 1.11 and this Section 1.12 shall not apply to a Special Registration Statement. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of said day period. Each Holder agrees that any transferee of any shares of Registrable Securities shall be bound by Sections 1.11 and 1.12. The underwriters of the Company's stock are intended third party beneficiaries of Sections 1.11 and 1.12 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

1.13 Rule 144 Reporting. With a view to making available to the Holders the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use its best efforts to:

(a) Make and keep public information available, as those terms are understood and defined in SEC Rule 144 or any similar or analogous rule promulgated under the Securities Act, at all times after the effective date of the first registration filed by the Company for an offering of its securities to the general public;

(b) File with the SEC, in a timely manner, all reports and other documents required of the Company under the Exchange Act; and

(c) So long as a Holder owns any Registrable Securities, furnish to such Holder forthwith upon request: a written statement by the Company as to its compliance with the reporting requirements of said Rule 144 of the Securities Act, and of the Exchange Act (at any time after it has become subject to such reporting requirements); a copy of the most recent annual or quarterly report of the Company filed with the Commission; and such other reports and documents as a Holder may reasonably request in connection with availing itself of any rule or regulation of the SEC allowing it to sell any such securities without registration.

1.14 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Section 1.2, Section 1.3, or Section 1.4 hereof shall terminate upon such time as such Holder, as reflected on the Company's list of stockholders, holds less than 1% of the Company's outstanding Common Stock (treating all shares of Preferred Stock on an as converted basis), the Company has completed its Initial Offering and all Registrable Securities of the Company issuable or issued upon conversion of the Shares held by and issuable to such Holder (and its affiliates) may be sold pursuant to Rule 144 during any ninety (90) day period. Upon such termination, such shares shall cease to be **"*Registrable Securities*"** hereunder for all purposes.

EXHIBIT 2

BUDGET

B-1

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002

I, Matthew J. Desch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Iridium Communications Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2018

/s/ Matthew J. Desch

Matthew J. Desch

Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002

I, Thomas J. Fitzpatrick, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Iridium Communications Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2018

/s/ Thomas J. Fitzpatrick

Thomas J. Fitzpatrick

Chief Financial Officer
(principal financial officer)

Exhibit 32.1

CERTIFICATIONS OF
PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the Chief Executive Officer and the Chief Financial Officer of Iridium Communications Inc. (the "Company") each hereby certifies that, to the best of his knowledge:

1. The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, to which this Certification is attached as Exhibit 32.1 (the "Quarterly Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition of the Company at the end of the period covered by the Quarterly Report and results of operations of the Company for the periods covered in the financial statements in the Quarterly Report.

Dated: July 31, 2018

/s/ Matthew J. Desch	/s/ Thomas J. Fitzpatrick
Matthew J. Desch	Thomas J. Fitzpatrick
Chief Executive Officer	Chief Financial Officer

This certification accompanies the Quarterly Report and shall not be deemed "filed" by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.