

# IRIDIUM COMMUNICATIONS INC.

## FORM 10-Q (Quarterly Report)

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

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**FORM 10-Q**

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(Mark One)

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

For the Quarterly Period Ended September 30, 2010

OR

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

Commission File Number 001-33963

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**Iridium Communications Inc.**

(Exact name of registrant as specified in its charter)

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**DELAWARE**  
(State of incorporation)

**26-1344998**  
(I.R.S. Employer Identification No.)

**1750 Tysons Boulevard, Suite 1400, McLean, Virginia**  
(Address of principal executive offices)

**22102**  
(Zip code)

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

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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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting 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 ☐

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 November 5, 2010 was 70,251,001.

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**PART I.**

**Iridium Communications Inc.**

**Unaudited Condensed Consolidated Balance Sheets**  
(In thousands, except share and per share data)

	September 30,	December 31,
	2010	2009
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 104,636	\$ 147,178
Accounts receivable, net of allowance for doubtful accounts of \$0 and \$1,462, respectively	54,391	41,189
Inventory	12,167	25,656
Deferred tax assets, net	3,527	2,481
Prepaid expenses and other current assets	5,259	4,433
Total current assets	179,980	220,937
Property and equipment, net	531,195	401,666
Restricted cash	120	15,520
Other assets	30,091	1,127
Intangible assets, net	84,926	92,485
Goodwill	94,661	94,661
Total assets	<u>\$ 920,973</u>	<u>\$ 826,396</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 66,922	\$ 7,865
Accrued expenses and other current liabilities	65,732	56,403
Deferred revenue	26,576	20,027
Deferred acquisition consideration	—	4,636
Total current liabilities	159,230	88,931
Accrued satellite operations and maintenance expense, net of current portion	20,928	15,300
Deferred tax liabilities, net	94,112	93,326
Other long-term liabilities	2,765	1,365
Total liabilities	277,035	198,922
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.0001 par value, 2,000,000 shares authorized and none issued and outstanding	—	—
Common stock, \$0.001 par value 300,000,000 shares authorized and 70,251,001 and 70,247,701 shares issued and outstanding at September 30, 2010 and December 31, 2009, respectively	70	70
Additional paid-in capital	673,986	670,116
Accumulated deficit	(30,165)	(42,734)
Accumulated other comprehensive income	47	22
Total stockholders' equity	643,938	627,474
Total liabilities and stockholders' equity	<u>\$ 920,973</u>	<u>\$ 826,396</u>

See notes to the unaudited condensed consolidated financial statements

**Iridium Communications Inc.**

**Unaudited Condensed Consolidated Statements of Operations**  
(In thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Revenue:				
Services:				
Government	\$19,518	\$ —	\$ 56,761	\$ —
Commercial	47,934	—	134,300	—
Subscriber equipment	27,075	—	69,182	—
Total revenue	94,527	—	260,243	—
Operating expenses:				
Cost of subscriber equipment sales	14,798	—	49,654	—
Cost of services (exclusive of depreciation and amortization)	17,613	—	56,995	—
Research and development	2,311	—	14,708	—
Depreciation and amortization	22,657	—	67,617	—
Selling, general and administrative	16,312	318	48,945	722
Transaction costs	—	5,776	—	6,163
Total operating expenses	73,691	6,094	237,919	6,885
Operating profit (loss)	20,836	(6,094)	22,324	(6,885)
Other income (expense):				
Change in fair value of warrants	—	(34,117)	—	(34,117)
Interest income (expense), net	81	154	415	975
Other (expense) income, net	(6)	—	89	—
Total other income (expense)	75	(33,963)	504	(33,142)
Earnings (loss) before income taxes	20,911	(40,057)	22,828	(40,027)
Income tax provision (benefit)	10,225	(629)	10,259	(616)
Net income (loss)	\$10,686	\$(39,428)	\$ 12,569	\$(39,411)
Weighted average shares outstanding – basic	70,303	48,929	70,275	48,645
Weighted average shares outstanding –diluted	74,040	48,929	72,873	48,645
Earnings (loss) per share – basic	\$ 0.15	\$ (0.81)	\$ 0.18	\$ (0.81)
Earnings (loss) per share– diluted	\$ 0.14	\$ (0.81)	\$ 0.17	\$ (0.81)

See notes to the unaudited condensed consolidated financial statements

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### Iridium Communications Inc.

#### Unaudited Condensed Consolidated Statements of Cash Flows (In thousands)

	<u>Nine Months Ended September 30,</u>	
	<u>2010</u>	<u>2009</u>
<b>Cash flows from operating activities:</b>		
Net cash provided by (used in) operating activities	\$ 104,576	\$ (15,594)
<b>Cash flows from investing activities:</b>		
Changes in investment in trust account	—	401,838
Cash paid for acquisition, net of cash acquired	—	(19,086)
Payment of deferred acquisition consideration	(4,636)	—
Capital expenditures	(134,259)	—
Net cash (used in) provided by investing activities	(138,895)	382,752
<b>Cash flows from financing activities:</b>		
Proceeds from public offerings	—	149,600
Purchase from issuance of private placement warrants	—	(4,940)
Purchase of shares of common stock	—	(164,884)
Purchase of shares of common stock for no-votes	—	(91,700)
Payment of underwriting fees	—	(4,288)
Payment of costs associated with offering	—	(850)
Payment under credit facility	—	(113,594)
Payment of deferred financing fees	(8,246)	—
Proceeds from exercise of warrants	23	—
Net cash used in financing activities	(8,223)	(230,656)
Net (decrease) increase in cash and cash equivalents	(42,542)	136,502
Cash and cash equivalents, beginning of period	147,178	129
Cash and cash equivalents, end of period	<u>\$ 104,636</u>	<u>\$ 136,631</u>
<b>Supplemental cash flow information:</b>		
Income taxes paid	\$ 4,267	\$ 340
<b>Supplemental disclosure of non-cash investing activities:</b>		
Shares issued for the acquisition of Iridium Holdings (29,443,500 shares at \$11.325 per share)	\$ —	\$ 333,448
Accrual of additional consideration for acquisition of Iridium Holdings	\$ —	\$ 25,500
Property and equipment received but not yet paid for	\$ 54,425	\$ —
Leasehold improvement incentives	\$ 901	\$ —
<b>Supplemental disclosure of non-cash financing activities:</b>		
Reversal of deferred underwriter commissions	\$ —	\$ (8,176)
Accrued financing fees	\$ 1,778	\$ —

See notes to unaudited condensed consolidated financial statements

**Iridium Communications Inc.****Notes to Unaudited Condensed Consolidated Financial Statements  
September 30, 2010****1. Organization and Basis of Presentation**

Iridium Communications Inc. (the “Company”) offers voice and data communications services and products to businesses, U.S. and international government agencies and other customers on a global basis. The Company was initially formed as GHL Acquisition Corp., a special purpose acquisition company, as further described below. The Company acquired, directly and indirectly, all the outstanding equity of Iridium Holdings LLC (“Iridium Holdings” and, together with its direct and indirect subsidiaries, “Iridium”) in a transaction accounted for as a business combination on September 29, 2009 (the “Acquisition”). In accounting for the Acquisition, the Company was deemed the legal and accounting acquirer. On September 29, 2009, the Company changed its name to Iridium Communications Inc.

Iridium Holdings is considered the predecessor of the Company and, accordingly, its historical financial statements are separately presented herein as predecessor financial statements.

The Company was formed on November 2, 2007 for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination. All activity from November 2, 2007 (inception) through February 21, 2008 related to the Company’s formation and initial public offering. From February 21, 2008 through September 29, 2009, the Company’s activities were limited to identifying prospective target businesses to acquire and with which to complete a business combination. On September 29, 2009, the Company consummated the Acquisition and, as a result, is no longer in the development stage.

Iridium Holdings was formed under the laws of Delaware in 2000 as a limited liability company pursuant to the Delaware Limited Liability Company Act. On December 11, 2000, Iridium acquired certain satellite communications assets from Iridium LLC, a non-affiliated debtor in possession.

As a result of and subsequent to the Acquisition, the Company is a provider of mobile voice and data communications services via a constellation of low earth orbiting satellites. The Company holds various licenses and authorizations from the Federal Communications Commission (the “FCC”) and from foreign regulatory bodies that permit the Company to conduct its business, including the operation of its satellite constellation.

**2. Significant Accounting Policies and Basis of Presentation*****Principles of Consolidation and Basis of Presentation***

The Company has prepared the unaudited condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) for interim financial information. The accompanying unaudited condensed consolidated financial statements include the accounts of (i) the Company, (ii) its wholly owned subsidiaries, (iii) all less than wholly owned subsidiaries that the Company controls, and (iv) variable interest entities where the Company is the primary beneficiary. All intercompany transactions and balances have been eliminated, and net income not attributable to the Company (when material) has been allocated to noncontrolling interests.

In the opinion of management, the unaudited 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 unaudited 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 the annual consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. While the Company believes that the disclosures are adequate to make the information not misleading, these interim unaudited condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements and notes (as amended) included in its current report on Form 8-K filed with the Securities and Exchange Commission (the “SEC”) on May 10, 2010.

***Reclassifications and Adjustments***

To be consistent with the current operating company, all amounts presented as professional fees and other operating expenses in periods prior to the Acquisition have been reclassified to selling, general and administrative expenses or transaction costs. These reclassifications had no effect on the Company’s net income (loss) for the three or nine months ended September 30, 2009 or stockholders’ equity as of September 30, 2009.

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After the December 31, 2009 financial statements were issued, the Company revised certain estimated pre-Acquisition income tax balances, which resulted in a decrease to goodwill in the amount of \$0.8 million.

### *Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ materially from those estimates.

### *Financial Instruments*

The unaudited condensed consolidated balance sheets include various financial instruments (primarily cash and cash equivalents, restricted cash, prepaid expenses, deposits and other current assets, accounts receivable, accounts payable, accrued expenses and other liabilities and other obligations). 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. These tiers include:

- Level 1, defined as observable inputs such as quoted prices in active markets for identical assets;
- Level 2, defined as observable inputs other than Level 1 prices such as quoted prices for similar assets; 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.

Additional information regarding fair value is disclosed in Note 5.

### *Concentrations of Credit Risk*

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and receivables. The majority of cash is swept nightly into a money market fund invested in U.S. treasuries. The Company performs credit evaluations of its customers' financial condition and records reserves to provide for estimated credit losses. While the Company maintains its cash and cash equivalents with financial institutions with high credit ratings, it often maintains those deposits in federally insured financial institutions in excess of federally insured (FDIC) limits. Accounts receivable are due from both domestic and international customers (see Note 4).

### *Cash, Cash Equivalents and Restricted Cash*

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The cash and cash equivalents balances at September 30, 2010 and December 31, 2009, consisted of cash deposited in institutional money market mutual funds, regular interest bearing and non-interest bearing depository accounts and certificates of deposits with commercial banks. The Company's restricted cash balances as of September 30, 2010 and December 31, 2009 are \$0.1 million and \$15.5 million, respectively. The December 31, 2009 balance related primarily to collateral for a letter of credit for potential costs of de-orbiting the Company's satellites. In the third quarter of 2010, this \$15.4 million letter of credit expired and is no longer required to be maintained (see Note 3).

### *Accounts Receivable*

Trade accounts receivable are recorded at the invoiced amount and generally are subject to late fee penalties. Management develops its estimate of an allowance for uncollectible receivables based on the Company's experience with specific customers, aging of outstanding invoices, its understanding of customers' current economic circumstances and its own judgment as to the likelihood that the Company will ultimately receive payment. The Company writes off its accounts receivable when balances ultimately are deemed uncollectible.

### *Foreign Currencies*

The functional currency of the Company's foreign consolidated subsidiaries is their local currency, except for countries that are deemed to have "highly inflationary" economies, in which case the functional currency is deemed to be the reporting currency (or U.S. dollar). Assets and liabilities of its foreign subsidiaries are translated to U.S. dollars based on exchange rates at the end of the reporting period. Income and expense items are translated at the weighted average exchange rates prevailing during the reporting period. Translation adjustments are accumulated in a separate component of stockholders' equity. Transaction gains or losses are classified as other income (expense), net in the accompanying unaudited condensed consolidated statements of operations.



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### ***Deferred Financing Costs***

Costs incurred in connection with securing debt financing are deferred and are amortized as additional interest expense using the effective interest method over the term of the related debt.

As of September 30, 2010, the Company had deferred (as other long-term assets in the accompanying unaudited condensed consolidated balance sheets) approximately \$10.0 million of direct and incremental financing costs associated with securing debt financing for Iridium NEXT, the Company's next-generation satellite constellation.

### ***Inventory***

Inventory consists primarily of finished goods, although the Company at times also maintains an inventory of raw materials from third-party manufacturers. The Company outsources manufacturing of subscriber equipment primarily to one third-party manufacturer and purchases accessories from third-party suppliers. The Company's cost of inventory includes an allocation of overhead (including salaries and benefits of employees directly involved in bringing inventory to its existing condition, scrap, tooling and freight). Inventories are valued using the average cost method, and are carried at the lower of cost or market.

The Company has a manufacturing agreement with a supplier to manufacture subscriber equipment, which contains minimum monthly purchase requirements. The Company's purchases have exceeded the monthly minimum requirement since inception. Pursuant to the agreement, the Company may be required to purchase excess materials if the materials are not used in production within the periods specified in the agreement. The supplier will then generally repurchase such materials from the Company at the same price paid by the Company, as required for the production of the devices. As of September 30, 2010 and December 31, 2009, the Company had \$0.3 million and \$1.0 million, respectively, of excess materials and the amounts were included in inventory on the accompanying unaudited condensed consolidated balance sheets.

### ***Accounting for Stock-Based Compensation***

The Company accounts for stock-based compensation at fair value. Accordingly, the Company expenses the estimated fair value of stock-based awards made in exchange for employee and consultant services over the requisite service period. Stock-based compensation cost related to stock options is determined at the grant date using the Black-Scholes option pricing model. The value of an award that is ultimately expected to vest is recognized as expense on a straight-line basis over the requisite service period and is classified in the statement of operations in a manner consistent with the statement of operations' classification of the employee's salary and other compensation. Awards to consultants are classified in selling, general and administrative expenses.

In the third quarter of 2010, the Company granted approximately 75,000 stock options to its employees. Employee stock options 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. The aggregate estimated fair value of the employee stock options granted in the third quarter of 2010 based on the Black-Scholes option pricing model was approximately \$0.5 million.

### ***Property and Equipment***

Property and equipment is carried at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Satellite system	14 years
Terrestrial system	7 years
Equipment	3 – 5 years
Gateway system	5 years
Internally developed software and purchased software	3 – 7 years
Building	39 years
Leasehold improvements	shorter of useful life or remaining lease term

Repairs and maintenance costs are expensed as incurred.

### ***Long-Lived Assets***

The Company assesses its long-lived assets for impairment when indicators of impairment are present. Recoverability of assets is measured by comparing the carrying amounts of the assets to the future undiscounted cash flows expected to be generated by the assets. Any impairment loss would be measured as the excess of the assets' carrying amount over their fair value. Fair value is based on market prices when available, an estimate of market value or various other valuation techniques.

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### ***Goodwill and Other Intangible Assets***

#### ***Goodwill***

Goodwill is the excess of the acquisition cost of businesses over the fair value of the identifiable net assets acquired. Impairment testing for goodwill is performed annually or more frequently if indicators of potential impairment exist. If the fair value of goodwill is less than the carrying amount of goodwill, an impairment loss is recognized.

#### ***Intangible Assets Not Subject to Amortization***

A significant portion of the Company's intangible assets are spectrum and regulatory authorizations and trade names which are indefinite-lived intangible assets. The Company reevaluates the useful life determination for these assets each reporting period to determine whether events and circumstances continue to support an indefinite useful life. The Company tests its indefinite-lived intangible assets for potential impairment annually or more frequently if indicators of impairment exist. If the fair value of the indefinite-lived asset is less than the carrying amount, an impairment loss is recognized.

#### ***Intangible Assets Subject to Amortization***

The Company's intangible assets that do have finite lives (primarily customer relationships – government and commercial, core developed technology and software) are amortized over their useful lives and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If any indicators were present, the Company would test for recoverability by comparing the carrying amount of the asset to the net undiscounted cash flows expected to be generated from the asset. If those net undiscounted cash flows do not exceed the carrying amount (i.e., the asset is not recoverable), the Company would perform the next step, which is to determine the fair value of the asset and record an impairment loss, if any. The Company reevaluates the useful lives for these intangible assets each reporting period to determine whether events and circumstances warrant a revision in their remaining useful lives.

### ***Comprehensive Income (Loss)***

The Company's only component of other comprehensive income (loss) for all periods presented is the foreign currency translation adjustment related to consolidated subsidiaries. Comprehensive income (loss) is as follows:

	<b>For the Three Months Ended September 30,</b>		<b>For the Nine Months Ended September 30,</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>(In thousands)</b>			
Net income (loss)	\$ 10,686	\$ (39,428)	\$ 12,569	\$ (39,411)
Cumulative translation adjustments	68	—	25	—
Comprehensive income (loss)	<u>\$ 10,754</u>	<u>\$ (39,428)</u>	<u>\$ 12,594</u>	<u>\$ (39,411)</u>

### ***Asset Retirement Obligations***

Liabilities arising from legal obligations associated with the retirement of long-lived assets are required to be measured at fair value and recorded as a liability. Upon initial recognition of a liability for retirement obligations, a company must record an asset, which is depreciated over the life of the asset to be retired.

Under certain circumstances, each of the U.S. government, The Boeing Company ("Boeing"), and Motorola, Inc. ("Motorola") has the right to require the de-orbit of the Company's satellite constellation. In the event the Company was required to effect a mass de-orbit, pursuant to the amended and restated operations and maintenance agreement (the "O&M Agreement") by and between the Company's indirect wholly owned subsidiary Iridium Constellation LLC ("Iridium Constellation") and Boeing, the Company would be required to pay Boeing \$16.4 million, plus an amount equivalent to the premium for de-orbit insurance coverage (\$2.5 million as of September 30, 2010). The Company has concluded that each of the foregoing de-orbit rights meets the definition of an asset retirement obligation. However, the Company currently does not believe the U.S. government, Boeing or Motorola will exercise their respective de-orbit rights. As a result, the Company believes the likelihood of any future cash outflows associated with the mass de-orbit obligation is remote.

There are other circumstances in which the Company could be required, either by the U.S. government or for technical reasons, to de-orbit an individual satellite; however, the Company believes that such costs would not be significant relative to the costs associated with the ordinary operations of the satellite constellation.

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### ***Revenue Recognition***

The Company derives its revenue primarily as a wholesaler of satellite communications products and services. The primary types of revenue include (i) services revenue (access and usage-based airtime fees) and (ii) subscriber equipment revenue. Additionally, the Company generates revenue by providing engineering and support services to commercial and government customers.

#### *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. Generally, the Company recognizes revenue when services are performed or delivery has occurred, evidence of an arrangement exists, the fee is fixed or determinable, and collection is probable, as follows:

##### *Contracts with multiple elements*

At times, the Company sells subscriber equipment through multi-element contracts that bundle subscriber equipment with airtime services. When the Company sells subscriber equipment and airtime services in bundled arrangements that include guaranteed minimum orders and determines that it has separate units of accounting, the Company allocates the bundled contract price among the various contract deliverables based on each deliverable's relative fair value. The Company determines vendor specific objective evidence of fair value by assessing sales prices of subscriber equipment and airtime services when they are sold to customers on a stand-alone basis.

##### *Services revenue sold on a stand-alone basis*

Services 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 ratably over the 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 for the cash value of the e-voucher or prepaid card on purchase. The Company recognizes revenue from the prepaid services (i) upon the use of the e-voucher or prepaid card by the customer; (ii) upon the expiration of the right to access the prepaid service; or (iii) when it is determined that the likelihood that the prepaid card being redeemed by the customer is remote ("Prepaid Card Breakage"). The Company has determined the recognition of Prepaid Card Breakage based on its historical redemption patterns, which show that after 36 months from the sale to the service provider, the Company can determine the portion of the liability for which redemption is remote. The Company does not offer refund privileges for unused prepaid services.

##### *Subscriber equipment sold on a stand-alone basis*

The Company recognizes subscriber equipment sales and the related costs when title to the equipment (and the risks and rewards of ownership) passes to the customer, typically upon shipment.

#### *Services and subscriber equipment sold to the U.S. government*

The Company provides airtime to U.S. government subscribers through (i) fixed monthly fees on a per user basis for unlimited voice services, (ii) fixed monthly fees per user for unlimited paging services, (iii) a tiered pricing plan (based on usage) per device for data services and (iv) fixed monthly fees on a per user basis for unlimited beyond line-of-sight push-to-talk voice services to user-defined groups. Revenue related to these services is recognized ratably over the periods in which the services are provided, and the related costs are expensed as incurred. The U.S. government purchases its subscriber equipment from distributors and not directly from the Company.

#### *Government engineering and support services*

The Company provides maintenance services to the U.S. government's dedicated gateway in Hawaii. 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 certain engineering services to assist customers in developing new technologies for use on the Company's satellite system. The revenue associated with these services is recorded when the services are rendered, typically on a percentage of completion method of accounting based on the Company's estimate of total costs expected to complete the contract, and the related costs are expensed as incurred. 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.

### ***Warranty Expense***

The Company generally provides the first end-user purchaser of its products a warranty on subscriber equipment for one to two years from the date of purchase by such first end-user, depending on the product. A warranty accrual is made when it is estimable and

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probable that a loss has been incurred. A warranty reserve is maintained based on historical experience of warranty costs and expected occurrences of warranty claims on equipment. Costs associated with warranties are recorded as cost of subscriber equipment sales and include equipment replacements, repairs, freight and program administration.

	Nine Months Ended
	September 30, 2010
	(In thousands)
Balance at beginning of the period	\$ (726)
Provision	(1,185)
Utilization	932
Balance at end of the period	<u>\$ (979)</u>

### *Research and Development*

Research and development costs are charged as an expense in the period in which they are incurred.

### *Income Taxes*

The Company accounts for income taxes using the asset and liability approach, which requires the recognition of tax benefits or expenses on the temporary differences between the financial reporting and tax bases of its assets and liabilities. For interim periods, the Company recognizes a provision (benefit) for income taxes based on an estimated annual effective tax rate expected for the entire year. A valuation allowance is established when necessary to reduce deferred tax assets to the amounts expected to be realized. The Company also recognizes a tax benefit from uncertain tax positions only if it is “more likely than not” that the position is sustainable based on its technical merits. The Company’s policy is to recognize interest and penalties on uncertain tax positions as a component of income tax expense. The Company’s estimated annual effective tax rate differs from the statutory U.S. federal income tax rate of 35% due to state taxes and additional U.S. taxes on foreign corporations.

### *Earnings Per Share*

The Company calculates basic earnings (loss) per share by dividing net income (loss) available to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted earnings (loss) per share takes into account the effect of potential dilutive common shares when the effect is dilutive. The effect of potential dilutive common shares, consisting of common stock issuable upon exercise of outstanding stock options and stock purchase warrants, is computed using the treasury stock method. The Company’s unvested restricted stock units contain non-forfeitable rights to dividends and therefore are considered to be participating securities in periods of net income; the calculation of basic and diluted earnings per share excludes net income attributable to the unvested restricted stock units from the numerator and excludes the impact of unvested restricted stock units from the denominator (see Note 7).

### *Accounting Developments*

In June 2009, the Financial Accounting Standards Board (“FASB”) issued accounting guidance on financial reporting by companies involved with variable interest entities. The new guidance requires a company to perform an analysis to determine whether the company’s variable interest or interests give it a controlling financial interest in a variable interest entity. Additionally, a company is required to assess whether it has implicit financial responsibility to ensure that a variable interest entity operates as designed when determining whether it has the power to direct the activities of the variable interest entity that most significantly impact the entity’s economic performance. The new guidance also requires enhanced disclosures that provide more transparent information about a company’s involvement with a variable interest entity. The Company adopted the accounting guidance in the first quarter of 2010 with no material impact on its financial position or results of operations.

## 3. Commitments and Contingencies

### *Commitments*

In June 2010, the Company, through its indirect wholly owned subsidiary Iridium Satellite LLC (“Iridium Satellite”), executed a primarily fixed price full scale development contract with Thales Alenia Space (“Thales”) for the design and manufacture of satellites for Iridium NEXT (the “FSD”), the effectiveness of which was contingent upon the Company securing financing for the FSD, which occurred on October 25, 2010 (see Note 8). Also in June 2010, the Company entered into an authorization to proceed (“ATP”), which allowed Thales to commence work immediately on the development of satellites prior to the effectiveness of the FSD. The FSD contemplates the launch of the first Iridium NEXT satellites during the first quarter of 2015.

In the third quarter of 2010, Iridium Satellite and Thales entered into amendments to the ATP and FSD pursuant to which the Company paid \$37.6 million to Thales to mitigate the potential currency fluctuations on the Euro-denominated portions of the ATP and FSD. As of September 30, 2010, the Company had paid \$94.6 million for work related to the ATP. On October 25, 2010, the

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Company finalized the \$1.8 billion loan facility (the “Facility”) and satisfied the conditions for the first borrowing; as a result, the FSD became effective and the ATP terminated automatically by its terms. The Company’s aggregate payments under the ATP through the date of its termination were \$149.3 million, which were credited against amounts due under the FSD (see Note 8). The total price under the FSD will be approximately \$2.2 billion and the Company expects payment obligations under the FSD to extend into the third quarter of 2017.

In March 2010, the Company, through Iridium Satellite, entered into an agreement with Space Exploration Technologies Corp. (“SpaceX”) to secure SpaceX as the primary launch services provider for Iridium NEXT (the “SpaceX Agreement”), the effectiveness of which was contingent upon the Company securing financing for the FSD, which occurred on October 25, 2010 (see Note 8). On September 17, 2010, prior to the effectiveness of the SpaceX Agreement, Iridium Satellite also entered into an amendment with SpaceX that, among other things, extended the termination date to December 19, 2010. As part of the amendment, the Company agreed to make certain payments of approximately \$24.0 million. The SpaceX Agreement, as amended, has a maximum price of \$492.0 million.

As of September 30, 2010, the Company has made total payments of \$38.0 million to SpaceX, of which \$19.0 million was refundable as financing was not secured on the FSD at that time. Of the total payments of \$38.0 million, the \$19.0 million refundable portion was recorded in other long-term assets and the \$19.0 million non-refundable portion was recorded in property and equipment, net in the accompanying unaudited condensed consolidated balance sheet as of September 30, 2010. On October 25, 2010, the Company finalized the Facility and, as a result, the SpaceX Agreement became effective and all amounts became non-refundable and will be classified as property and equipment, net going forward.

On July 21, 2010, Iridium Constellation and Boeing entered into the O&M Agreement, which superseded the prior operations and maintenance agreement previously in place between Iridium Constellation and Boeing. Under the O&M Agreement, Boeing operates and maintains the Company’s satellite constellation. The term of the O&M Agreement runs concurrently with the estimated useful life of the current constellation. The amendment and restatement of the prior agreement does not materially change the obligations of Boeing, but provides for annual price reductions and other cost-saving opportunities and converts the fee for Boeing’s operations and maintenance services from a fixed-price fee to a time-and-materials fee with an annual limit on amounts paid.

In addition, on July 21, 2010, Iridium Satellite and Boeing entered into an agreement pursuant to which Boeing will operate and maintain Iridium NEXT (the “NEXT Support Services Agreement”). Boeing will provide these services on a time-and-materials fee basis. The term of the NEXT Support Services Agreement runs concurrently with the estimated useful life of the Iridium NEXT constellation. Iridium Satellite is entitled to terminate the agreement for convenience and without cause commencing in 2019.

### *Contingencies*

From time to time, in the normal course of business, the Company is party to various pending claims and lawsuits. Other than the Motorola action described below, the Company is not aware of any such actions that the Company would expect to have a material adverse impact on the Company’s business, financial results or financial condition.

On February 9, 2010, Motorola filed a complaint against Iridium Satellite and Iridium Holdings to seek recovery of the commitment fee and the loan success fee under the Senior Subordinated Term Loan Agreement in an aggregate amount they alleged was at least \$24.7 million. On October 1, 2010, the Company, together with Iridium Satellite and Iridium Holdings, entered into a settlement agreement with Motorola (see Note 8). The Company had accrued an amount related to this claim in the accompanying unaudited condensed consolidated balance sheets as of September 30, 2010 and December 31, 2009.

### *Indemnification Agreement*

Iridium Satellite, Boeing, Motorola and the U.S. government are parties to an indemnification contract, effective as of December 5, 2000 and amended as of September 7, 2010 (the “Indemnification Agreement”), which provides, among other things, that: (a) Iridium Satellite will maintain satellite liability insurance; (b) Boeing will maintain aviation and space liability insurance; and (c) Iridium Satellite will maintain aviation products – completed operations liability insurance with Motorola as an insured thereunder. Pursuant to the Indemnification Agreement, the U.S. government may, in its sole discretion, require the Company, Boeing or either of them to immediately de-orbit the Company’s satellites at no expense to the U.S. government upon the occurrence of certain enumerated events. However, as discussed in Note 2, management does not currently believe the U.S. government will exercise this right.

## **4. Segments, Significant Customers, Supplier and Service Providers and Geographic Information**

The Company operates in one segment, providing global satellite communications services and products.

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The Company contracts for the manufacture of its subscriber equipment primarily from one manufacturer and utilizes other sole source suppliers for certain component parts of its devices. Should events or circumstances prevent the manufacturer or the suppliers from producing the equipment or component parts, the Company's business could be adversely affected until the Company is able to move production to other facilities of the manufacturer or secure a replacement manufacturer or an alternative supplier for such component parts.

A significant portion of the Company's satellite operations and maintenance service is provided by Boeing. Should events or circumstances prevent Boeing from providing these services, the Company's business could be adversely affected until the Company is able to assume operations and maintenance responsibilities or secure a replacement service provider.

Net property and equipment by geographic area, was as follows:

	September 30, 2010	December 31, 2009
	(In thousands)	
United States	\$ 78,946	\$ 66,307
Satellites in orbit	277,646	329,704
Satellite systems under construction	168,168	—
All others <sup>(1)</sup>	6,435	5,655
	<u>\$ 531,195</u>	<u>\$ 401,666</u>

(1) No one other country represented more than 10% of net property and equipment.

Revenue by geographic area, was as follows:

	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2010
	(In thousands)	
United States	\$ 42,805	\$ 123,514
Canada	14,138	37,558
United Kingdom	12,597	32,223
Other countries <sup>(1)</sup>	24,987	66,948
	<u>\$ 94,527</u>	<u>\$ 260,243</u>

(1) No one other country represented more than 10% of revenue.

Revenue is attributed to geographic area based on the billing address of the distributor. Service location and the billing address are often not the same. The Company's distributors sell services directly or indirectly to end-users, who may be located or use the Company's products and services elsewhere. The Company cannot provide the geographical distribution of end-users because it does not contract directly with them. The Company does not have significant foreign exchange risk on sales, as invoices are generally denominated in United States dollars.

## 5. Fair Value Measurements

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.

### Financial Assets and Liabilities

#### Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalents and restricted cash are recorded at fair value at September 30, 2010 and December 31, 2009. The inputs used in measuring the fair value of these instruments are considered to be Level 1 in accordance with the fair value hierarchy. The fair values are based on period-end statements supplied by the various banks and brokers that held the majority of the Company's funds deposited in institutional money market mutual funds, regular interest bearing and non-interest bearing depository accounts and certificates of deposits with commercial banks.



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### Short-term Financial Instruments

The fair values of short-term financial instruments (primarily cash and cash equivalents, prepaid expenses, deposits and other current assets, accounts receivable, accounts payable, accrued expenses and other current liabilities and other obligations) approximate their carrying values because of their short-term nature.

### 6. Related Party Transaction

The Company has a \$0.4 million receivable from a 5% beneficial owner. The receivable resulted from federal and state tax payments submitted by the Company for Baralonco N.V. on behalf of this beneficial owner for the period prior to the Company's purchase of 100% of the Baralonco N.V. shares. As a result of the Acquisition, Baralonco N.V. is now a wholly owned subsidiary of the Company.

### 7. Earnings (Loss) Per Share

The computations of basic and diluted earnings (loss) per share are set forth below:

	<b>For the Three Months Ended September 30,</b>	
	<b>2010</b>	<b>2009</b>
	<b>(In thousands, except per share amounts)</b>	
<b>Numerator:</b>		
Net income (loss)	\$ 10,686	\$ (39,428)
Net income (loss) allocated to participating securities	(7)	—
Numerator for basic earnings (loss) per share	<u>\$ 10,679</u>	<u>\$ (39,428)</u>
Numerator for diluted earnings (loss) per share	<u>\$ 10,679</u>	<u>\$ (39,428)</u>
<b>Denominator:</b>		
Denominator for basic earnings (loss) per share – Weighted average outstanding common shares	70,303	48,929
Dilutive effect of warrants	3,737	—
Denominator for diluted earnings (loss) per share	<u>74,040</u>	<u>48,929</u>
Earnings (loss) per share — basic	\$ 0.15	\$ (0.81)
Earnings (loss) per share — diluted	\$ 0.14	\$ (0.81)
	<b>For the Nine Months Ended September 30,</b>	
	<b>2010</b>	<b>2009</b>
	<b>(In thousands, except per share amounts)</b>	
<b>Numerator:</b>		
Net income (loss)	\$ 12,569	\$ (39,411)
Net income allocated to participating securities	(14)	—
Numerator for basic earnings (loss) per share	<u>\$ 12,555</u>	<u>\$ (39,411)</u>
Numerator for diluted earnings (loss) per share	<u>\$ 12,555</u>	<u>\$ (39,411)</u>
<b>Denominator:</b>		
Denominator for basic earnings (loss) per share – Weighted average outstanding common shares	70,275	48,645
Dilutive effect of warrants	2,598	—
Denominator for diluted earnings (loss) per share	<u>72,873</u>	<u>48,645</u>
Earnings (loss) per share — basic	\$ 0.18	\$ (0.81)
Earnings (loss) per share — diluted	\$ 0.17	\$ (0.81)

For the three and nine months ended September 30, 2010, 14.4 million warrants and 3.2 million stock options were not included in the computation of diluted earnings per share as the effect would be anti-dilutive. For the three and nine months ended September 30, 2009, approximately 28.0 million of warrants were not included in the computation of diluted earnings per share as the effect would be anti-dilutive.

**8. Subsequent Events*****Credit Facility***

On October 4, 2010, Iridium Satellite entered into the Facility with a syndicate of bank lenders. Ninety-five percent of the obligations under the Facility are insured by Compagnie Française d'Assurance pour le Commerce Extérieur ("COFACE"), the French export credit agency. The Facility is comprised of two tranches, with draws and repayments applied pro rata to each tranche:

- Tranche A – \$1,537,500,000 at a fixed rate of 4.96%; and
- Tranche B – \$262,500,000 at a floating rate equal to the London Interbank Offer Rate ("LIBOR") plus 1.95%.

In connection with each draw it makes under the Facility, Iridium Satellite will also borrow an amount equal to 6.49% of such draw to cover the premium for the COFACE policy. Iridium Satellite will also pay a commitment fee of 0.80% per year, in semi-annual installments, on any undrawn portion of the Facility beginning on April 4, 2011. In addition, pursuant to separate fee letters entered into at the same time as the Facility, Iridium Satellite paid arrangement fees to the syndicate banks totaling \$46.6 million on October 29, 2010.

Funds drawn under the Facility will be used for (i) 85% of the costs under the FSD for the construction of Iridium NEXT satellites and reimbursement to Iridium Satellite for 85% of the amounts it previously paid to Thales under the ATP, (ii) the premium for the COFACE policy and (iii) the payment of a portion of interest during a portion of the construction and launch phase of Iridium NEXT.

Scheduled semi-annual principal repayments will begin six months after the earlier of (i) the successful deployment of a specified number of Iridium NEXT satellites or (ii) September 30, 2017. During this repayment period, interest will be paid on the same date as the principal repayments. Prior to the repayment period, interest payments will be due on a semi-annual basis beginning April 29, 2011. The Facility will mature seven years after the start of the repayment period.

Iridium Satellite's obligations under the Facility are guaranteed by the Company and its subsidiaries that are obligors under the Facility and are secured on a senior basis by a lien on substantially all of the Company's assets and those of Iridium Satellite and the other obligors (except to the extent prohibited by law).

Iridium Satellite may not prepay any borrowings prior to December 31, 2015. If on that date, a specified number of Iridium NEXT satellites have been successfully launched and the Company has adequate time and resources to complete the Iridium NEXT constellation on schedule, Iridium Satellite may prepay the borrowings without penalty. In addition, following the completion of the Iridium NEXT constellation, Iridium Satellite may prepay the borrowings without penalty. Any amounts repaid may not be reborrowed. Iridium Satellite must repay the loans in full upon (i) a delisting of the Company's common stock, (ii) a change in control of the Company or the Company ceasing to own 100% of any of the other obligors or (iii) the sale of all or substantially all of the Company's assets. The Company must apply all or a portion of specified capital raising proceeds, insurance proceeds and condemnation proceeds to the prepayment of the loans. The Facility includes customary representations, events of default, covenants and conditions precedent to drawing of funds. The financial covenants include,

- a minimum cash requirement;
- a minimum debt to equity ratio level;
- maximum capital expenditure levels;
- minimum consolidated operational EBITDA levels;
- minimum cash flow requirements from customers who have secondary payloads hosted on the Company's satellites;
- minimum debt service reserve levels;
- a minimum debt service coverage ratio level; and
- maximum leverage levels.



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The covenants also place limitations on the ability of the Company and its subsidiaries to carry out mergers and acquisitions, dispose of assets, grant security interests, enter into certain transactions with affiliates, fund payments under the FSD from its own resources, incur debt, or make loans, guarantees or indemnities.

Upon the closing of the Facility on October 25, 2010, the FSD became effective and the ATP terminated automatically by its terms. The Company's total payments of \$149.3 million under the ATP through the date of its termination were credited against amounts due under the FSD. In addition, the SpaceX Agreement also became effective in the fourth quarter of 2010, and the \$19.0 million refundable portion of the payments the Company had made to SpaceX became non-refundable.

### ***Motorola Settlement***

On October 1, 2010, the Company, together with Iridium Satellite and Iridium Holdings, entered into a Settlement Agreement (the "Settlement Agreement") with Motorola, pursuant to which the parties settled the litigation filed by Motorola against Iridium Satellite and Iridium Holdings in the Circuit Court of Cook County, Illinois, County Department—Chancery Division (captioned Motorola, Inc. vs. Iridium Satellite LLC and Iridium Holdings LLC, Docket No. 10 CH 05684). On the same date, the parties entered into a series of other agreements. Pursuant to the Settlement Agreement, which contains no admission of liability by any party, and the certain other agreements entered into on the same date, Iridium Satellite will pay Motorola an aggregate of \$46.0 million, in consideration of payment of debt of \$15.4 million otherwise due this year, as reflected on its financial statements as of September 30, 2010, expanded intellectual property licenses, the conversion of existing intellectual property licenses from being royalty-based to prepaid, transfer to the Company of ownership of certain intellectual property rights, termination of Motorola's rights to distributions and payments based on the value of the Company upon certain "triggering events and mutual releases of claims." Of the total \$46.0 million, the Company paid \$23.0 million contemporaneously with the execution of the Settlement Agreement and the remaining \$23.0 million is reflected in a Promissory Note Iridium Satellite issued to Motorola (the "Promissory Note"), which bears interest at the rate of 10% per annum and matures on December 31, 2011. The Promissory Note is secured by a security interest in Iridium Satellite's accounts receivable and Iridium Satellite's principal operating account, and is guaranteed by Iridium Holdings and by the Company.

In conjunction with the execution of the Settlement Agreement, Iridium Satellite and Motorola terminated the Senior Subordinated Term Loan Agreement dated December 11, 2000 by and among them. Iridium Satellite, Iridium Holdings and Motorola also amended and restated the Transition Services, Products and Asset Agreement, also dated as of December 11, 2000, to eliminate provisions which by completion or passage of time were deemed unnecessary. The Company's insurance requirements and Motorola's de-orbit rights under the Amended and Restated Transition Services, Products and Asset Agreement remain materially unchanged.

In addition, Iridium Satellite and Motorola entered into a System Intellectual Property Rights Amendment and Agreement and a Supplemental Subscriber Equipment Technology Amendment and Agreement. Pursuant to those two agreements, the Company broadened its existing licenses to certain Motorola intellectual property for use with its current satellite constellation and subscriber equipment, and the Company received licenses to such intellectual property for use with Iridium NEXT and future subscriber equipment.

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### Iridium Holdings LLC – Predecessor Company Unaudited Condensed Consolidated Statements of Income (In thousands, except per unit data)

	Period July 1, 2009 to September 29, 2009	Period January 1, 2009 to September 29, 2009
Revenue:		
Services:		
Government	\$ 19,411	\$ 56,039
Commercial	43,929	120,706
Subscriber equipment	21,117	66,206
Total revenue	84,457	242,951
Operating expenses:		
Cost of subscriber equipment sales	10,348	33,265
Cost of services (exclusive of depreciation and amortization)	20,096	58,978
Selling, general and administrative	17,334	44,505
Research and development	4,163	17,432
Depreciation and amortization	3,601	10,850
Transaction costs	10,560	12,478
Total operating expenses	66,102	177,508
Operating profit	18,355	65,443
Other (expense) income:		
Interest expense, net of capitalized interest of \$133 and \$324 for the period July 1, 2009 to September 29, 2009 and the period January 1, 2009 to September 29, 2009, respectively	(3,610)	(12,829)
Interest income and other income (expense), net	221	670
Total other (expense) income	(3,389)	(12,159)
Net income	\$ 14,966	\$ 53,284
Net income attributable to Class A Units	\$ 10,152	\$ 36,143
Weighted average Class A Units outstanding – basic	1,084	1,084
Weighted average Class A Units outstanding – diluted	1,168	1,168
Earnings per unit – basic	\$ 9.37	\$ 33.34
Earnings per unit – diluted	\$ 8.96	\$ 31.75

See accompanying notes to unaudited condensed consolidated financial statements

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### Iridium Holdings LLC – Predecessor Company Unaudited Condensed Consolidated Statement of Cash Flows (In thousands)

	For the Period January 1, 2009 to September 29, 2009
<b>Operating activities:</b>	
Net income	\$ 53,284
Adjustments to reconcile net income to cash provided by operating activities:	
Depreciation and amortization	10,850
Other non-cash amortization and accretion	2,537
Equity and profits interest compensation	5,406
Change in certain operating assets and liabilities:	
Accounts receivable, net	(5,539)
Inventory	8,919
Prepaid expenses and other current assets	2,158
Deferred cost of sales	—
Other noncurrent assets	935
Accounts payable	(2,368)
Accrued expenses and other liabilities	(7,134)
Accrued compensation and employee benefits	(2,908)
Deferred revenue	(54)
Accrued satellite operations and maintenance expense	(1,856)
Net cash provided by operating activities	64,230
<b>Investing activities:</b>	
Capital expenditures	(7,698)
Net cash used in investing activities	(7,698)
<b>Financing activities:</b>	
Payments under credit facilities	(23,327)
Distributions to Class A and B members	—
Net cash used in financing activities	(23,327)
Net increase in cash and cash equivalents	33,205
Cash and cash equivalents, beginning of period	24,810
Cash and cash equivalents, end of period	\$ 58,015
<b>Supplementary cash flow information:</b>	
Cash paid for interest	\$ 10,704
<b>Supplementary disclosure of non-cash investing activities:</b>	
Property and equipment received but not paid for at period end	\$ 2,403

See accompanying notes to unaudited condensed consolidated financial statements.

**Iridium Holdings LLC – Predecessor Company**  
**Notes to Unaudited Condensed Consolidated Financial Statements**  
**September 29, 2009**

**1. Organization and Business****Organization**

Iridium Holdings LLC (“Iridium Holdings” and, together with its direct and indirect subsidiaries, “Iridium”) was formed under the laws of Delaware in 2000 and was organized as a limited liability company pursuant to the Delaware Limited Liability Company Act. On December 11, 2000, Iridium Satellite LLC, a wholly owned subsidiary of Iridium Holdings, acquired certain satellite communication assets from Iridium LLC, a non-affiliated debtor in possession.

Iridium is considered a predecessor entity to Iridium Communications Inc.

**Business**

Iridium is a provider of mobile voice and data communications services via satellite. Iridium holds various licenses and authorizations from the Federal Communications Commission (the “FCC”) and from foreign regulatory bodies that permit Iridium to conduct its business, including the operation of its satellite constellation. Iridium offers voice and data communications services and products to businesses, U.S. and international government agencies and other customers on a global basis.

**2. Significant Accounting Policies and Basis of Presentation****Principles of Consolidation and Basis of Presentation**

Iridium has prepared the unaudited condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) for interim financial information. The accompanying unaudited condensed consolidated financial statements include the accounts of Iridium and its wholly owned and majority-owned subsidiaries. All intercompany transactions and balances have been eliminated. Iridium has continued to follow the accounting policies disclosed in the consolidated financial statements included in its 2009 audited financial statements on Iridium Communications Inc.’s Form 10-K for the year ended December 31, 2009. In the opinion of management, the unaudited condensed consolidated financial statements reflect all normal recurring adjustments that Iridium considers necessary for the fair presentation of its results of operations and cash flows for the interim periods covered. Certain information and footnote disclosures normally included in the annual consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. The operating results for interim periods are not necessarily indicative of the operating results for the entire year. While Iridium believes that the disclosures are adequate to not make the information misleading, these interim unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the 2009 audited financial statements on Iridium Communications Inc.’s current report on Form 8-K filed with the Securities and Exchange Commission (the “SEC”) on May 10, 2010.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires Iridium to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

**3. Commitments and Contingencies****Contingencies**

From time to time, Iridium is involved in various litigation matters involving ordinary and routine claims incidental to its business. Iridium currently believes that these matters, either individually or in the aggregate, will not have a material adverse effect on Iridium’s business, results of operations or financial condition.

**4. Segments, Significant Customers, Supplier, and Service Providers and Geographic Information**

Iridium operates in one segment, providing global satellite communication services and products.

Iridium derived approximately 23% of its total revenue during both the period July 1, 2009 to September 29, 2009 and the period January 1, 2009 to September 29, 2009 from agencies of the U.S. government. Iridium’s two largest commercial customers accounted for approximately 25% and 23% of total revenue for the period July 1, 2009 to September 29, 2009 and the period January 1, 2009 to September 29, 2009, respectively.

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Iridium acquires subscriber equipment primarily from one manufacturer. Should events or circumstances prevent the manufacturer from producing the equipment, Iridium's business could be adversely affected until Iridium is able to move production to other facilities of the manufacturer or secure a replacement manufacturer.

A significant portion of Iridium's satellite operations and maintenance services are provided by Boeing. Should events or circumstances prevent Boeing from providing these services, Iridium's business could be adversely affected until Iridium is able to assume operations and maintenance responsibilities or secure a replacement service provider.

Revenue by geographic area is as follows:

	For the Period July 1, 2009 to September 29, 2009	For the Period January 1, 2009 to September 29, 2009
	(In thousands)	
United States	\$ 39,546	\$ 115,901
Canada	14,844	37,087
United Kingdom	8,761	23,461
Other countries <sup>(1)</sup>	21,306	66,502
	<u>\$ 84,457</u>	<u>\$ 242,951</u>

(1) No one other country represents more than 10% of revenue for any of the periods presented.

Revenue is attributed to geographic area based on the billing address of the distributor. Service location and the billing address are often not the same. Iridium's distributors sell services directly or indirectly to end-users, who may be located or use Iridium's products and services elsewhere. Iridium cannot provide the geographical distribution of end-users because it does not contract directly with them. Iridium does not have significant foreign exchange risk on sales, as invoices are generally denominated in United States dollars.

## 5. Fair Value Measurements

Iridium uses a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1, defined as observable inputs such as quoted prices in active markets for identical assets;
- Level 2, defined as observable inputs other than Level 1 prices such as quoted prices for similar assets; 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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability that assumes an orderly transaction in the most advantageous market at the measurement date.

### Interest Rate Swaps

Iridium accounts for its interest rate swaps on the balance sheet at their respective fair values. As required by Iridium's credit facilities, management executed four pay-fixed receive-variable interest rate swaps in 2006, all of which were settled on or before September 29, 2009. The interest rate swaps were designated as cash flow hedges. The objective for holding these instruments was to manage variable interest rate risk related to Iridium's \$210.0 million credit facilities, by synthetically converting a portion of the variable rate risk to fixed rate interest rate risk. The swaps were structured so that Iridium would pay a fixed rate of interest and receive a variable interest payment, which, to the extent hedged, should offset the variable interest that was being paid on its debt.

The principal market in which Iridium executes interest rate swap contracts is the retail market. For recognizing the most appropriate value, the highest and best use of Iridium's derivatives are measured using an in-exchange valuation premise that considers the

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assumptions that market participants would use in pricing the derivatives. Iridium has elected to use the income approach to value the derivatives, using observable Level 2 market expectations at the measurement date and standard valuation techniques to convert future amounts to a single present amount (discounted) assuming that participants are motivated, but not compelled to transact. Level 2 inputs for the swap valuations are limited to quoted prices for similar assets or liabilities in active markets (specifically futures contracts on LIBOR for the first two years) and inputs other than quoted prices that are observable for the asset or liability (specifically LIBOR cash and swap rates, and credit default swap rates at commonly quoted intervals).

Mid-market pricing is used as a practical expedient for fair value measurements. Key inputs, including the cash rates for very short term, futures rates for up to two years and LIBOR swap rates beyond the derivative maturity are compared to provide spot rates at resets specified by each swap as well as to discount those future cash flows to present value at the measurement date. Inputs are collected on the last market day of the period. The same rates used to compare the yield curve are used to discount the future cash flows. A credit default swap basis available at commonly quoted intervals is collected and applied to all cash flows when the swap is in an asset position pre-credit effect.

The variable interest rates on the swaps reset every quarter concurrent with the reset of the variable rate on the debt. The fixed rate will not change over the life of the swap. Each quarter-end, the swaps are measured against current interest rates to determine a fair market value. The fair market value is recorded on the balance sheet and the offset to the value, to the extent effective, is recorded in accumulated other comprehensive income. The effectiveness of the swaps in offsetting the gain or loss on the debt is assessed on a contract-by-contract basis quarterly, by regressing historical changes in the value of the swap against the historical change in value of the underlying debt. To establish a value for the underlying debt, a “hypothetical” derivative is created with terms that match the debt (e.g., notional amount, reset rates and terms, maturity) and which has a zero fair value at designation.

### Foreign Currency Exchange Contracts

Iridium enters into foreign currency exchange contracts to mitigate foreign currency exposure on a product consulting service contract denominated in foreign currency. Given the variability of its purchase commitments and payment terms under the product consulting service contracts, Iridium has not elected hedge accounting for these foreign currency exchange contracts. Accordingly, the foreign currency exchange contracts are marked to market at each balance sheet date, with the changes in fair value being recognized as a current period gain or loss in the accompanying unaudited condensed consolidated statements of income. The inputs used in measuring the fair value of these instruments are considered to be Level 2 in the fair value hierarchy. The fair market values are based on quoted market values for similar contracts. Subsequent to the closing of the Acquisition, Iridium closed the outstanding contracts, which had no impact to the statements of income.

### Derivative Instruments and Hedging Activities

The following tables summarize the effect of derivative instruments designated as cash flow hedges (interest rate swaps) on Iridium’s results of operations for the period July 1, 2009 to September 29, 2009 and January 1, 2009 to September 29, 2009:

#### For the Period July 1, 2009 to September 29, 2009 (In thousands)

	Amount of Loss Recognized		Amount of Loss		Amount of Loss Recognized in Income on Derivative (Ineffective Portion)
	in OCI on Derivative (Effective Portion)	Location of Loss Reclassified from Accumulated OCI into Income (Effective Portion)	Reclassified from Accumulated OCI into Income (Effective Portion)	Location of Loss Recognized in Income on Derivative (Ineffective Portion)	
<b>Derivatives in Cash Flow Hedging Relationships</b>					
Accumulated other comprehensive loss	\$ (216)	Interest Expense	\$ (533)	Interest Expense	\$ (3)
Total	<u>\$ (216)</u>		<u>\$ (533)</u>		<u>\$ (3)</u>

#### For Period January 1, 2009 to September 29, 2009 (In thousands)

	Amount of Loss Recognized		Amount of Loss		Amount of Loss Recognized in Income on Derivative (Ineffective Portion)
	in OCI on Derivative (Effective Portion)	Location of Loss Reclassified from Accumulated OCI into Income (Effective Portion)	Reclassified from Accumulated OCI into Income (Effective Portion)	Location of Loss Recognized in Income on Derivative (Ineffective Portion)	
<b>Derivatives in Cash Flow Hedging Relationships</b>					
Accumulated other comprehensive loss	\$ (295)	Interest Expense	\$ (2,323)	Interest Expense	\$ (10)
Total	<u>\$ (295)</u>		<u>\$ (2,323)</u>		<u>\$ (10)</u>

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The following tables summarize the effect of derivative instruments not designated as hedges (foreign currency exchange contracts) on Iridium's results of operations for the period July 1, 2009 to September 29, 2009 and January 1, 2009 to September 29, 2009:

### For the Period July 1, 2009 to September 29, 2009 (In thousands)

<u>Derivatives Not Designated as Hedging Instruments</u>	<u>Location of Gain or (Loss) Recognized in Income on Derivative</u>	<u>Amount of Gain or (Loss) Recognized in Income on Derivative</u>
Foreign currency exchange contracts	Other income	\$ (4)
Total		<u>\$ (4)</u>

### For the Period January 1, 2009 to September 29, 2009 (In thousands)

<u>Derivatives Not Designated as Hedging Instruments</u>	<u>Location of Gain or (Loss) Recognized in Income on Derivative</u>	<u>Amount of Gain or (Loss) Recognized in Income on Derivative</u>
Foreign currency exchange contracts	Other income	\$ 298
Total		<u>\$ 298</u>

## 6. Earnings Per Unit

Basic earnings per unit is calculated by dividing net income available to Class A Unit holders by the weighted average of the Class A Units outstanding for the period. Net income available to Class A Unit holders gives effect to the net income allocable to Class B Unit holders as if such net income was distributed in the applicable period pursuant to the terms of the LLC Agreement. Diluted earnings per Class A Unit takes into account the conversion of the Note when such effect is dilutive.

	For the Period July 1, 2009 to September 29, 2009 (In thousands except per unit data)	For the Period January 1, 2009 to September 29, 2009
<b>Numerator:</b>		
Net Income	\$ 14,966	\$ 53,284
Adjustments for Class B Units earnings participation	(4,814)	(17,141)
Net income attributable to Class A Units, basic	10,152	36,143
Adjustment for interest on Note	312	936
Net income attributable to Class A Units, diluted	<u>\$ 10,464</u>	<u>\$ 37,079</u>
<b>Denominator:</b>		
Weighted-average Class A Units outstanding, basic	1,084	1,084
Units from assumed conversion of Note	84	84
Weighted-average Class A Units outstanding, diluted	<u>1,168</u>	<u>1,168</u>
<b>Earnings Per Unit:</b>		
Basic	\$ 9.37	\$ 33.34
Diluted	\$ 8.96	\$ 31.75



**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, 2009, and our current report on Form 8-K filed on May 10, 2010 with the Securities and Exchange Commission, or the SEC, as well as our unaudited condensed consolidated financial statements and the unaudited condensed consolidated financial statements of Iridium Holdings LLC (our predecessor entity) 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 "believes," "anticipates," "plans," "expects," "intends" 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 discussed under the caption "Risk Factors" in this Form 10-Q 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.

***Background***

We were formed as GH Acquisition Corp., a special purpose acquisition company, on November 2, 2007, for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination. We closed an initial public offering of our common stock on February 21, 2008. All of our activity from November 2, 2007 (inception) through February 21, 2008 related to our formation and initial public offering. From February 21, 2008 through September 29, 2009, our activities were limited to identifying prospective target businesses to acquire and complete a business combination, and we were considered to be in the development stage.

On September 29, 2009, we acquired, directly and indirectly, all the outstanding equity of Iridium Holdings LLC, or Iridium Holdings. We refer to this transaction as the Acquisition. Iridium Holdings, its subsidiary Iridium Satellite LLC, or Iridium Satellite, and Iridium Satellite's subsidiary Iridium Constellation LLC, or Iridium Constellation, were formed under the laws of Delaware in 2000 and were organized as limited liability companies pursuant to the Delaware Limited Liability Company Act. We refer to Iridium Holdings, together with its direct and indirect subsidiaries, as Iridium. On December 11, 2000, Iridium acquired satellite communication assets from Iridium LLC, a non-affiliated debtor in possession. Iridium and its affiliates held, and following the Acquisition we hold, various licenses and authorizations from the U.S. Federal Communications Commission, or FCC, and from foreign regulatory bodies that permit us to conduct our business, including the operation of our satellite constellation.

Pursuant to the terms of the Acquisition, we purchased all of the outstanding equity of Iridium Holdings. Total consideration included 29.4 million shares of our common stock and \$102.6 million in cash, including payments totaling \$25.5 million in cash we made in December 2009 and January 2010 to some of the former members of Iridium Holdings for tax benefits we received. Upon the closing of the Acquisition, we changed our name from GH Acquisition Corp. to Iridium Communications Inc.

We accounted for our business combination with Iridium Holdings as a purchase business combination and recorded all assets acquired and liabilities assumed at their respective Acquisition-date fair values. We were deemed the legal and accounting acquirer and Iridium Holdings the legal and accounting acquiree. Iridium is considered our predecessor and, accordingly, its historical financial statements are deemed to be our predecessor financial statements. Iridium's historical financial statements are included in this Form 10-Q but are presented separately from our financial statements.

As a result of the Acquisition, we recorded the assets and liabilities we acquired from Iridium at fair value, which resulted in a significant increase in the carrying value of our assets and liabilities. After the December 31, 2009 financial statements were issued, we received additional information related to a pre-Acquisition contingency and retrospectively adjusted the estimated fair value of the assets acquired and liabilities assumed in the Acquisition on September 29, 2009. This retrospective adjustment was reflected in a Form 8-K filed with the SEC on May 10, 2010. Consequently, the impact of acquisition accounting on our carrying value of inventory, property and equipment, intangible assets and accruals, was an increase of approximately \$19.8 million, \$348.2 million, \$95.5 million and \$29.0 million, respectively, compared to Iridium's balance sheet as of September 29, 2009. Similarly, Iridium's deferred revenue decreased by \$7.4 million. As a result of the effect of acquisition accounting, our cost of subscriber equipment sales increased in the first quarter of 2010 as compared to those costs and expenses of Iridium in prior periods, and the decrease in the carrying value of deferred revenue caused a decrease in revenue, which we expect will continue through the first quarter of 2011. In addition, the increase in accruals had the effect of reducing cost of services (exclusive of depreciation and amortization) during 2010, which we expect will continue into future periods. The increase in property and equipment and intangible assets had the effect of increasing depreciation and amortization expense during 2010, which we expect will continue into future periods.



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### *Overview of Our Business*

We are engaged primarily in providing mobile voice and data communications services using a constellation of orbiting satellites. We are the second largest provider of satellite-based mobile voice and data communications services based on full year 2009 revenue, and the only provider of mobile satellite communications services offering 100% global coverage. Our satellite network provides communications services to regions of the world where existing wireless or wireline networks do not exist or are impaired, including extremely remote or rural land areas, airways, open ocean, the polar regions and regions where the telecommunications infrastructure has been affected by political conflicts or natural disasters.

We offer voice and data communications services to businesses, the U.S. and foreign governments, non-governmental organizations and consumers using our constellation of in-orbit satellites and related ground infrastructure, including a primary commercial gateway. We utilize an interlinked, mesh architecture to route traffic across the satellite constellation using radio frequency crosslinks. This unique architecture minimizes the need for 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 exclusively through a wholesale distribution network, encompassing approximately 70 service providers, 145 value-added resellers, or VARs, and 50 value-added manufacturers, who either sell 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 for our products and services targeting specific vertical markets.

At September 30, 2010, we had approximately 413,000 billable subscribers worldwide, an increase of 74,000 or 21.8% from approximately 339,000 billable subscribers at September 30, 2009. We have a diverse customer base, including end-users in the following vertical markets: land-based handset; maritime; aviation; machine-to-machine, or M2M; and government.

We expect a high proportion of our future revenue will be derived from services. Voice and M2M data service revenue historically has generated higher gross margin than subscriber equipment revenue. We expect our future revenue growth rates will be somewhat lower than our historical rates primarily due to decreased subscriber equipment revenue growth and the difficulty in sustaining high growth rates as our revenue increases.

Our business plan calls for the development of Iridium NEXT, our next-generation satellite constellation, the development of new product and service offerings, upgrades to our current services, hardware and software upgrades to maintain our ground infrastructure and upgrades to our business systems. We estimate the aggregate costs associated with the design, build and launch of Iridium NEXT and related infrastructure upgrades through early 2017 to be approximately \$3 billion. We believe our new credit facility, described below, together with internally generated cash flow, will be sufficient to fully fund the aggregate costs associated with the design, build and launch of Iridium NEXT and related infrastructure upgrades through early 2017.

### *Full Scale Development and Launch Services Agreements*

In June 2010, we, through Iridium Satellite, executed a primarily fixed price full scale development contract, or FSD, with Thales Alenia Space, or Thales, for the design and manufacture of satellites for Iridium NEXT. The effectiveness of the FSD was contingent upon our securing financing for the FSD. Also in June 2010, we entered into an authorization to proceed, or ATP, with Thales, which allowed Thales to commence work immediately on the development of satellites prior to the effectiveness of the FSD. The FSD contemplates the launch of the first Iridium NEXT satellites during the first quarter of 2015.

In the third quarter of 2010, Iridium Satellite entered into amendments with Thales to the ATP and FSD pursuant to which we paid \$37.6 million to Thales to mitigate the potential currency fluctuations on the Euro-denominated portions of the ATP and FSD. As of September 30, 2010, we had paid \$94.6 million for work related to the ATP. On October 25, 2010, we finalized a \$1.8 billion loan facility, or the Facility, and satisfied the conditions for the first borrowing. As a result, the FSD became effective and the ATP terminated automatically by its terms. Our aggregate payments under the ATP through the date of its termination were \$149.3 million, which were credited against amounts due under the FSD. The total price under the FSD will be approximately \$2.2 billion, and we expect our payment obligations under the FSD to extend into the third quarter of 2017.

In March 2010, we, through Iridium Satellite, entered into an agreement with Space Exploration Technologies Corp., or SpaceX, to secure SpaceX as the primary launch services provider for Iridium NEXT. The effectiveness of this agreement, which we refer to as the SpaceX Agreement, was contingent upon our securing financing for the FSD, which occurred on October 25, 2010 when we satisfied the conditions for the first borrowing under the Facility. On September 17, 2010, prior to the effectiveness of the SpaceX Agreement, Iridium Satellite also entered into an amendment with SpaceX that, among other things, extended the termination date to December 19, 2010. As part of the amendment, we agreed to make certain payments of approximately \$24.0 million. The SpaceX Agreement, as amended, has a maximum price of \$492.0 million.

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As of September 30, 2010, we had made total payments of \$38.0 million to SpaceX, of which \$19.0 million was refundable at that time since we had not yet completed our financing for the FSD. Of the total payments of \$38.0 million, the \$19.0 million refundable portion was recorded in other long-term assets and the \$19.0 million non-refundable portion was recorded in property and equipment, net in the accompanying unaudited condensed consolidated balance sheet as of September 30, 2010. On October 25, 2010, we finalized the Facility and, as a result, the SpaceX Agreement became effective and all amounts became non-refundable and will be classified as property and equipment, net, going forward.

### *New Credit Facility*

On October 4, 2010, Iridium Satellite entered into the Facility with a syndicate of bank lenders. Ninety-five percent of the obligations under the Facility are insured by Compagnie Française d'Assurance pour le Commerce Extérieur, or COFACE. The Facility consists of two tranches, with draws and repayments applied pro rata to each tranche:

- Tranche A – \$1,537,500,000 at a fixed rate of 4.96%; and
- Tranche B – \$262,500,000 at a floating rate equal to the London Interbank Offer Rate, or LIBOR, plus 1.95%.

In connection with each draw it makes under the Facility, Iridium Satellite will also borrow an amount equal to 6.49% of such draw to cover the premium for the COFACE policy. Iridium Satellite will also pay a commitment fee of 0.80% per year, in semi-annual installments, on any undrawn portion of the Facility beginning on April 4, 2011. In addition, pursuant to separate fee letters entered into at the same time as the Facility, Iridium Satellite paid arrangement fees to the syndicate banks totaling \$46.6 million on October 29, 2010. Funds drawn under the Facility will be used for (i) 85% of the costs under the FSD for the construction of Iridium NEXT satellites and reimbursement to Iridium Satellite for 85% of the amounts it previously paid to Thales under the ATP, (ii) the premium for the COFACE policy and (iii) the payment of a portion of interest during a portion of the construction and launch phase of Iridium NEXT.

Scheduled semi-annual principal repayments will begin six months after the earlier of (i) the successful deployment of a specified number of Iridium NEXT satellites or (ii) September 30, 2017. During this repayment period, interest will be paid on the same date as the principal repayments. Prior to the repayment period, interest payments will be due on a semi-annual basis beginning April 29, 2011. The Facility will mature seven years after the start of the repayment period.

Iridium Satellite's obligations under the Facility are guaranteed by us and our subsidiaries that are obligors under the Facility and are secured on a senior basis by a lien on substantially all of our assets and those of Iridium Satellite and the other obligors.

Iridium Satellite may not prepay any borrowings prior to December 31, 2015. If on that date, a specified number of Iridium NEXT satellites have been successfully launched and we have adequate time and resources to complete the Iridium NEXT constellation on schedule, Iridium Satellite may prepay the borrowings without penalty. In addition, following the completion of the Iridium NEXT constellation, Iridium Satellite may prepay the borrowings without penalty. Any amounts repaid may not be reborrowed. Iridium Satellite must repay the loans in full upon (i) a delisting of our common stock, (ii) a change in control of our company or our ceasing to own 100% of any of the other obligors or (iii) the sale of all or substantially all of our assets. We must apply all or a portion of specified capital raising proceeds, insurance proceeds and condemnation proceeds to the prepayment of the loans. The Facility includes customary representations, events of default, covenants and conditions precedent to drawing of funds. The financial covenants include,

- a minimum cash requirement;
- a minimum debt to equity ratio level;
- maximum capital expenditure levels;
- minimum consolidated operational EBITDA levels;
- minimum cash flow requirements from customers who have secondary payloads hosted on our satellites;
- minimum debt service reserve levels;
- a minimum debt service coverage ratio level; and
- maximum leverage levels.

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The covenants also place limitations on the ability of us and our subsidiaries to carry out mergers and acquisitions, dispose of assets, grant security interests, enter into certain transactions with affiliates, fund payments under the FSD from our own resources, incur debt, or make loans, guarantees or indemnities.

On October 29, 2010, we borrowed \$135.1 million under the Facility and used a portion of the proceeds to reimburse Iridium Satellite for a portion of the previous payments under the ATP and to make the COFACE policy premium related to the draw. We also used funds received from this borrowing to pay \$46.6 million of fees and expenses in connection with the negotiation and arrangement of the Facility.

### *Settlement of Motorola Litigation*

On October 1, 2010, we entered into a settlement agreement with Motorola, Inc., or Motorola, pursuant to which the parties settled the litigation filed by Motorola against Iridium Satellite and Iridium Holdings in Illinois. On the same date, the parties entered into a series of other agreements. Pursuant to these several agreements, Iridium Satellite will pay Motorola an aggregate of \$46.0 million to repay debt of \$15.4 million otherwise due this year, as reflected in our financial statements as of September 30, 2010, and \$14.9 million in consideration of expanded intellectual property licenses, the conversion of existing intellectual property licenses from being royalty-based to prepaid, the transfer to us of ownership of certain intellectual property rights, \$15.7 million for the termination of Motorola's rights to distributions and payments based on the value of our company upon certain "triggering events and mutual releases of claims." Of the total \$46.0 million, we paid \$23.0 million contemporaneously with the execution of the settlement agreement and the remaining \$23.0 million is reflected in a promissory note Iridium Satellite issued to Motorola, which bears interest at the rate of 10% per annum and matures on December 31, 2011. The promissory note to Motorola is secured by a security interest in Iridium Satellite's accounts receivable and Iridium Satellite's principal operating account, and is guaranteed by Iridium Holdings and by us.

In conjunction with the execution of the settlement agreement, Iridium Satellite and Motorola also terminated the Senior Subordinated Term Loan Agreement dated December 11, 2000 by and among them.

### *Material Trends and Uncertainties*

Iridium's 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 the Department of Defense, or DoD, disaster and relief agencies and emergency first responders;
- a broad and expanding 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, particularly among maritime end-users;
- a general reduction in prices of mobile satellite services equipment; and
- geographic market expansion through the receipt of licenses in additional countries.

Nonetheless, as we continue the Iridium business, we face a number of challenges and uncertainties, including:

- our ability to develop Iridium NEXT and related ground infrastructure, and develop products and services for Iridium NEXT, including our ability to access our credit facility to meet our future capital requirements for the construction of the Iridium NEXT satellites;
- our ability to maintain the health, capacity, control and level of service of our satellite network until and during the transition to Iridium NEXT;
- changes in general economic, business and industry conditions;
- our reliance on a single primary 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;
- our ability to maintain our relationship with U.S. government customers, particularly the DoD;
- 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; and

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- reliance on single source suppliers 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.

### *Comparison of Our Results of Operations for the Three and Nine Months Ended September 30, 2010 and 2009*

For the periods prior to the Acquisition, we did not have any business operations and we were considered to be in the development stage. All of our activities during the three and nine months ended September 30, 2009 related to completing a business combination. Accordingly, we had no revenue during this period. For the three and nine months ended September 30, 2010, our revenue was \$94.5 million and \$260.2 million, respectively, which was entirely attributable to the operations after the Acquisition.

Total operating expenses increased to \$73.7 million and \$237.9 million for the three and nine months ended September 30, 2010, respectively, from \$6.1 million and \$6.9 million for the three and nine months ended September 30, 2009, respectively. This increase was related to the operations after the Acquisition.

We had an income tax provision of approximately \$10.2 million for both the three and nine months ended September 30, 2010, compared to an income tax benefit of approximately \$0.6 million for both the three and nine months ended September 30, 2009. The effective tax rate for the nine months ended September 30, 2010 was approximately 49% compared to 1.54% in the equivalent period in 2009 due to the non-deductibility of certain transaction costs and the tax treatment of the derivative liability for the warrant exchange and repurchase agreement. Our estimated annual effective rate in 2010 differs from the statutory U.S. federal income tax rate of 35% due to state taxes and additional U.S. taxes on foreign corporations.

### *Comparison of Our Results of Operations for the Three Months Ended September 30, 2010 and Iridium's (Predecessor Company's) Results of Operations for the Period from July 1, 2009 to September 29, 2009*

For comparison purposes, we have included the following discussion of our operating results for the three months ended September 30, 2010 and those of Iridium for the period from July 1, 2009 to September 29, 2009, or the 2009 Quarter Period. This presentation is intended to facilitate the evaluation and understanding of the financial performance of our business on a quarter-to-quarter basis. Management believes this presentation is useful in providing the users of our financial information with an understanding of our results of operations because there were no material changes to the operations of Iridium as a result of the Acquisition and we had no material operating activities from the date of formation of GHL Acquisition Corp. until the Acquisition.

	<b>Iridium Communications Inc. Three Months Ended September 30, 2010</b>	<b>Iridium (Predecessor Company) 2009 Quarter Period</b>	<b>% Change</b>
	<b>(In thousands)</b>		
<b>Revenue:</b>			
Services:			
Government	\$ 19,518	\$ 19,411	0.6%
Commercial	47,934	43,929	9.1%
Subscriber equipment	27,075	21,117	28.2%
Total revenue	94,527	84,457	11.9%
<b>Operating expenses:</b>			
Cost of subscriber equipment sales	14,798	10,348	43.0%
Cost of services (exclusive of depreciation and amortization)	17,613	20,096	(12.4)%
Research and development	2,311	4,163	(44.5)%
Depreciation and amortization	22,657	3,601	529.2%
Selling, general and administrative	16,312	17,334	(5.9)%
Transaction costs	—	10,560	NM
Total operating expenses	73,691	66,102	11.5%
Operating profit	20,836	18,355	13.5%
Other income (expense):			
Interest income (expense), net of capitalized interest	81	(3,438)	(102.4)%
Other income (expense), net	(6)	49	(112.2)%
Total other income (expense)	75	(3,389)	(102.2)%
Earnings before income taxes	20,911	14,966	39.7%
Income tax provision	10,225	—	NM
Net income	\$ 10,686	\$ 14,966	(28.6)%



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### Revenue

Total revenue increased by 11.9% to \$94.5 million for the three months ended September 30, 2010 from \$84.4 million for the 2009 Quarter Period, due principally to increased sales of subscriber equipment and growth in billable subscribers, which resulted in increased sales of commercial and government services. Billable subscribers at September 30, 2010 increased by approximately 21.8% from September 30, 2009 to approximately 413,000.

### Government Services Revenue

Government services revenue increased by 0.6% to \$19.5 million for the three months ended September 30, 2010 from \$19.4 million for the 2009 Quarter Period, primarily due to voice billable subscriber growth, including growth related to Netted Iridium, a service introduced in late 2009 that provides beyond line-of-sight push-to-talk capability for user-defined groups. This increase was largely offset by a decrease in engineering and support services contracts, which are project-based, non-recurring in nature and generally have a low gross margin. The average monthly revenue per unit, or ARPU, for voice included in government services, decreased by \$2 to \$149 for the three months ended September 30, 2010 compared to the 2009 Quarter Period, due to a higher proportion of billable subscribers on the lower priced Netted Iridium plan. We expect government voice ARPU to decrease in the future as usage of Netted Iridium continues to grow. The government M2M data ARPU increased by \$1 to \$22 for the three months ended September 30, 2010 compared to the 2009 Quarter Period, due to a higher proportion of billable subscribers on higher tiered pricing plans. We expect total government revenue for the full year 2010 to be generally in line with 2009. Also, future growth in voice and M2M data billable subscribers and revenue may be negatively affected by reductions in U.S. defense spending and troop levels, and a corresponding decrease in usage under our agreements with the U.S. government, which accounts for a majority of our government services revenue and is subject to annual renewals.

	Government Services								
	Iridium Communications Inc. Three Months Ended September 30, 2010			Iridium (Predecessor Company) 2009 Quarter Period			Year over Year Change		
	(Revenue in millions and subscribers in thousands)			(Revenue in millions and subscribers in thousands)					
	Revenue	Billable Subscribers <sup>(1)</sup>	ARPU <sup>(2)</sup>	Revenue	Billable Subscribers <sup>(1)</sup>	ARPU <sup>(2)</sup>	Revenue	Billable Subscribers	ARPU
Voice	\$ 15.0	35.2	\$ 149	\$ 13.3	29.6	\$ 151	\$ 1.7	5.6	\$ (2)
M2M data	0.4	6.3	22	0.2	3.4	21	0.2	2.9	1
Engineering and support	4.1	—	—	5.9	—	—	(1.8)	—	—
Total	<u>\$ 19.5</u>	<u>41.5</u>	—	<u>\$ 19.4</u>	<u>33.0</u>	—	<u>\$ 0.1</u>	<u>8.5</u>	—

(1) Billable subscriber numbers shown are at the end of the respective period.

(2) 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.

### Commercial Services Revenue

Commercial services revenue increased by 9.1% to \$47.9 million for the three months ended September 30, 2010 from \$43.9 million for the 2009 Quarter Period, due principally to voice revenue and M2M data revenue growth. Voice revenue was up principally due to subscriber growth, including growth related to Iridium OpenPort, our high-speed data maritime service, partially offset by a decrease in revenue from the impact of acquisition accounting in the third quarter of 2010. M2M data revenue growth was driven principally by an increase in the billable subscriber base. The increase in engineering and support revenue was related to new work in 2010. Commercial voice ARPU decreased by \$4 to \$52 for the three months ended September 30, 2010 compared to the 2009 Quarter Period, primarily due to the impact of acquisition accounting, a decrease in average usage per subscriber, and lower revenue recognized on prepaid cards where the likelihood of redemption is remote, or Prepaid Card Breakage, which was partially offset by an increase in ARPU from our Iridium OpenPort services. Commercial M2M data ARPU was unchanged at \$21. We expect to see a decrease in commercial M2M data ARPU as we add new pricing plans to address new M2M markets.

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	Commercial Services								
	Iridium Communications Inc. Three Months Ended September 30, 2010			Iridium (Predecessor Company) 2009 Quarter Period			Year over Year Change		
	(Revenue in millions and subscribers in thousands)								
	Revenue	Billable Subscribers <sup>(1)</sup>	ARPU <sup>(2)</sup>	Revenue	Billable Subscribers <sup>(1)</sup>	ARPU <sup>(2)</sup>	Revenue	Billable Subscribers	ARPU
Voice	\$ 41.5	270.3	\$ 52 <sup>(3)</sup>	\$ 39.3	236.4	\$ 56 <sup>(3)</sup>	\$ 2.2	33.9	\$ (4)
M2M data	5.8	100.9	21	4.3	69.3	21	1.5	31.6	—
Engineering and support	0.6	—		0.3	—		0.3	—	
Total	\$ 47.9	371.2		\$ 43.9	305.7		\$ 4.0	65.5	

(1) Billable subscriber numbers shown are at the end of the respective period.

(2) 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.

(3) ARPU is affected by Prepaid Card Breakage, which fluctuates from period to period.

### Subscriber Equipment Revenue

Subscriber equipment revenue increased by 28.2% to \$27.1 million for the three months ended September 30, 2010 from \$21.1 million for the 2009 Quarter Period. The increase in subscriber equipment revenue was primarily due to strong handset and M2M data device sales, which was in part attributable to fulfilling customer orders that were delayed due to the component parts shortage we experienced in the second quarter of 2010. We successfully addressed the component parts delay and are again meeting standard order fulfillment timelines for our customers. The increase in sales volume was partially offset by decreased equipment unit prices introduced earlier in 2010 to incent future growth in service revenue reflecting our belief that service revenues are a more stable, profitable and long-term source of income than equipment sales, and in anticipation of competitive pressure. We intend to continue our strategy of pricing equipment to incent subscriber growth and growth in recurring service revenues due to the higher margins in service. Subscriber equipment sales to the U.S. government, including sales through a non-government distributor, may be negatively affected by reductions in U.S. defense spending and troop levels, and a corresponding decrease in usage under our agreements with the U.S. government, which are subject to annual renewals.

### Operating Expenses

Total operating expenses increased by 11.5% to \$73.7 million for the three months ended September 30, 2010 from \$66.1 million for the 2009 Quarter Period. This increase was due primarily to increased depreciation and amortization, of which \$19.4 million was related to acquisition accounting, and increased cost of subscriber equipment sales due to higher volume of sales, partially offset by transaction costs in the 2009 Quarter Period, decreased cost of services (exclusive of depreciation and amortization), lower research and development expenses and lower selling, general and administrative expenses.

### Cost of Subscriber Equipment Sales

Cost of subscriber equipment sales generally includes the direct costs of equipment sold, which are manufacturing costs, allocation of overhead, warranty costs and royalties paid for the subscriber equipment intellectual property.

Cost of subscriber equipment sales increased by 43.0% to \$14.9 million for the three months ended September 30, 2010 from \$10.3 million for the 2009 Quarter Period, primarily due to increased sales volume in handsets and M2M data devices. Historically, cost of subscriber equipment sales has changed in line with changes in subscriber equipment revenue with the exception of the fourth quarter of 2009 and first quarter of 2010 due to the impact of acquisition accounting. The cost of subscriber equipment sales was 49.0% of subscriber equipment revenues in the 2009 Quarter Period and 54.7% in the three months ended September 30, 2010, which was primarily due to lower product pricing and a shift to lower margin products in 2010. We expect that in the fourth quarter of 2010, the cost of subscriber equipment sales will continue to represent a higher percentage of subscriber equipment revenue due to the expected mix of our product sales.

### Cost of Services (exclusive of depreciation and amortization)

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

Cost of services (exclusive of depreciation and amortization) decreased by 12.4% to \$17.6 million for the three months ended September 30, 2010 from \$20.1 million for the 2009 Quarter Period, primarily due to the result of a favorable contract renegotiation with The Boeing Company, or Boeing, in July 2010 that resulted in lower operations and maintenance expenses. We also experienced lower government engineering and support services expenses directly related to the decrease in government engineering and support



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services revenue, partially offset by increased expense related to new commercial engineering and support services work and increased satellite operations and engineering costs. We expect our cost of services (exclusive of depreciation and amortization) in the fourth quarter of 2010 to run at lower than historical rates.

### ***Research and Development***

Research and development expenses decreased by 44.5% to \$2.3 million for the three months ended September 30, 2010 from \$4.1 million for the 2009 Quarter Period, primarily as a result of a decrease in expenses related to the completion of a new M2M data device, and decreased expenses related to Iridium NEXT projects as they transitioned out of the research and development stage.

### ***Depreciation and Amortization***

Depreciation and amortization expenses increased by 529.2% to \$22.6 million for three months ended September 30, 2010 from \$3.6 million for the 2009 Quarter Period, primarily as a result of \$19.4 million additional depreciation and amortization attributable to increased asset values related to acquisition accounting. We expect depreciation and amortization expense going forward to continue to be at levels significantly higher than in 2009 primarily due to these higher asset values.

### ***Selling, General and Administrative***

Selling, general and administrative expenses generally include sales and marketing costs as well as legal, finance, information technology, facilities, billing and customer care expenses.

Selling, general and administrative expenses decreased by 5.9% to \$16.3 million for the three months ended September 30, 2010 from \$17.4 million for the 2009 Quarter Period primarily due to a decline in stock-based compensation related to the Acquisition in the 2009 Quarter Period, partially offset by an increase in employee incentives and commissions, an increase in professional fees (accounting, legal and regulatory) related to becoming a public company and our geographic expansion.

### ***Transaction Costs***

Transaction costs related to the Acquisition were \$10.6 million for the 2009 Quarter Period. Transaction costs primarily include legal, accounting and consulting fees. There were no such costs for the three months ended September 30, 2010.

### ***Interest Income (Expense), Net of Capitalized Interest***

Interest income (expense), net of capitalized interest was \$0.1 million for the three months ended September 30, 2010 and (\$3.4) million for the 2009 Quarter Period, primarily due to borrowings under Iridium's credit facilities that were outstanding during the 2009 Quarter Period and subsequently paid off immediately following the Acquisition. In the fourth quarter of 2010, we closed the Facility to support a portion of our development of Iridium NEXT and we also issued a promissory note to Motorola pursuant a settlement agreement. We expect our interest costs in the fourth quarter of 2010 and going forward to increase, however, most of the costs will be capitalized as a part of the Iridium NEXT project.

### ***Income Tax Provision***

Prior to the completion of the Acquisition, Iridium was a limited liability company treated as a partnership for income tax purposes. As such, the members of Iridium Holdings LLC were subject to income taxation on their pro rata share of Iridium's earnings and Iridium was not subject to entity-level income taxation for the 2009 Quarter Period. Following the Acquisition, we are taxed at the entity level and all of Iridium's income is included in our results. For the three months ended September 30, 2010, our income tax provision was \$10.2 million based on our estimated annual effective tax rate of approximately 49% plus discrete items.

Our reserve for uncertain tax positions includes unrecognized tax benefits related to certain U.S. and foreign transfer pricing adjustments and taxable presence in certain foreign jurisdictions.



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### Comparison of Our Results of Operations for the Nine Months Ended September 30, 2010 and Iridium's (Predecessor Company's) Results of Operations for the Period from January 1, 2009 to September 29, 2009

	Iridium Communications Inc. Nine Months Ended September 30, 2010	Iridium (Predecessor Company) Period from January 1, 2009 to September 29, 2009	% Change
	(In thousands)		
Revenue:			
Services:			
Government	\$ 56,761	\$ 56,039	1.3%
Commercial	134,300	120,706	11.3%
Subscriber equipment	69,182	66,206	4.5%
Total revenue	260,243	242,951	7.1%
Operating expenses:			
Cost of subscriber equipment sales	49,654	33,265	49.3%
Cost of services (exclusive of depreciation and amortization)	56,995	58,978	(3.4)%
Research and development	14,708	17,432	(15.6)%
Depreciation and amortization	67,617	10,850	523.2%
Selling, general and administrative	48,945	44,505	10.0%
Transaction costs	—	12,478	NM
Total operating expenses	237,919	177,508	34.0%
Operating profit	22,324	65,443	(65.9)%
Other income (expense):			
Interest income (expense), net of capitalized interest	415	(12,542)	(103.3)%
Other income (expense), net	89	383	(76.8)%
Total other income (expense)	504	(12,159)	(104.1)%
Earnings before income taxes	22,828	53,284	(57.2)%
Income tax provision	10,259	—	NM
Net income	\$ 12,569	\$ 53,284	(76.4)%

NM = Not Meaningful

#### Revenue

Total revenue increased by 7.1% to \$260.2 million for the nine months ended September 30, 2010 from \$242.9 million for the period from January 1, 2009 to September 29, 2009, or the 2009 Nine-Month Period, due principally to growth in billable subscribers, which drove growth in commercial and government services as well as increased sales of subscriber equipment. Billable subscribers at September 30, 2010 increased by approximately 21.8% from September 30, 2009 to approximately 413,000.

#### Government Services Revenue

Government services revenue increased by 1.3% to \$56.7 million for the nine months ended September 30, 2010 from \$56.0 million for the 2009 Nine-Month Period, due to voice billable subscriber growth, including growth related to Netted Iridium, which was introduced in late 2009, and an increase in M2M data revenue driven primarily by billable subscriber growth, partially offset by a decrease in engineering and support services contracts. Government voice ARPU decreased by \$3 to \$146 for the nine months ended September 30, 2010 compared to the 2009 Nine-Month Period, due to a higher proportion of billable subscribers on the lower priced Netted Iridium plan. Government M2M data ARPU was flat year over year.

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	Government Services								
	Iridium Communications Inc. Nine Months Ended September 30, 2010			Iridium (Predecessor Company) 2009 Nine-Month Period			Year over Year Change		
	(Revenue in millions and subscribers in thousands)								
	Revenue	Billable Subscribers <sup>(1)</sup>	ARPU <sup>(2)</sup>	Revenue	Billable Subscribers <sup>(1)</sup>	ARPU <sup>(2)</sup>	Revenue	Billable Subscribers	ARPU
Voice	\$ 42.3	35.2	\$ 146	\$ 39.6	29.6	\$ 149	\$ 2.7	5.6	\$ (3)
M2M data	1.0	6.3	22	0.5	3.4	22	0.5	2.9	—
Engineering and support	13.4	—		15.9	—		(2.5)	—	
Total	\$ 56.7	41.5		\$ 56.0	33.0		\$ 0.7	8.5	

(1) Billable subscriber numbers shown are at the end of the respective period.

(2) 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.

### Commercial Services Revenue

Commercial services revenue increased by 11.3% to \$134.3 million for the nine months ended September 30, 2010 from \$120.7 million for the 2009 Nine-Month Period, due principally to voice revenue and M2M data revenue growth. Voice revenue was up principally due to subscriber growth, including growth related to Iridium OpenPort, partially offset by a decrease in revenue from the impact of acquisition accounting. M2M data revenue growth was driven principally by an increase in the billable subscriber base. The increase in engineering and support revenue is related to new work in 2010. Commercial voice ARPU decreased by \$2 to \$51 for the nine months ended September 30, 2010 compared to the 2009 Nine-Month Period, primarily due to the impact of acquisition accounting. Commercial M2M data ARPU was flat year over year.

	Commercial Services								
	Iridium Communications Inc. Nine Months Ended September 30, 2010			Iridium (Predecessor Company) 2009 Nine-Month Period			Year over Year Change		
	(Revenue in millions and subscribers in thousands)								
	Revenue	Billable Subscribers <sup>(1)</sup>	ARPU <sup>(2)</sup>	Revenue	Billable Subscribers <sup>(1)</sup>	ARPU <sup>(2)</sup>	Revenue	Billable Subscribers	ARPU
Voice	\$117.0	270.3	\$ 51 <sup>(3)</sup>	\$ 108.0	236.4	\$ 53 <sup>(3)</sup>	\$ 9.0	33.9	\$ (2)
M2M data	15.9	100.9	21	12.1	69.3	21	3.8	31.6	—
Engineering and support	1.4	—		0.6	—		0.8	—	
Total	\$134.3	371.2		\$ 120.7	305.7		\$ 13.6	65.5	

(1) Billable subscriber numbers shown are at the end of the respective period.

(2) 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.

(3) ARPU is affected by Prepaid Card Breakage, which fluctuates from period to period.

### Subscriber Equipment Revenue

Subscriber equipment revenue increased by 4.5% to \$69.2 million for the nine months ended September 30, 2010 from \$66.2 million for the 2009 Nine-Month Period. The increase in subscriber equipment revenue was primarily due to strong M2M data device and Iridium OpenPort sales, which was partially offset by decreased equipment unit prices introduced earlier in 2010 to incent future growth in service revenue and in anticipation of competitive pressure.

### Operating Expenses

Total operating expenses increased by 34.0% to \$237.9 million for the nine months ended September 30, 2010 from \$177.5 million for the 2009 Nine-Month Period. This increase was due primarily to increased depreciation and amortization, of which \$57.7 million was related to acquisition accounting, increased cost of subscriber equipment sales due to acquisition accounting and higher volume of sales, and increased selling, general and administrative expenses, partially offset by transaction costs for the 2009 Nine-Month Period, lower research and development expenses and decreased cost of services (exclusive of depreciation and amortization).

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### ***Cost of Subscriber Equipment Sales***

Cost of subscriber equipment sales increased by 49.3% to \$49.7 million for the nine months ended September 30, 2010 from \$33.2 million for the 2009 Nine-Month Period, primarily as a result of a \$10.9 million increase related to higher inventory values as a result of acquisition accounting as well as increased sales volume in M2M data devices, handsets and Iridium OpenPort. We do not expect the cost of subscriber equipment sales to continue at this level as our higher valued inventory from acquisition accounting has been fully utilized. Historically, cost of subscriber equipment sales has changed in line with changes in subscriber equipment revenue with the exception of the fourth quarter of 2009 and the first quarter of 2010 due to the impact of acquisition accounting.

### ***Cost of Services (exclusive of depreciation and amortization)***

Cost of services (exclusive of depreciation and amortization) decreased by 3.4% to \$57.0 million for the nine months ended September 30, 2010 from \$59.0 million for the 2009 Nine-Month Period, primarily due to the result of a favorable contract renegotiation with Boeing in July 2010 and the impact of acquisition accounting that resulted in lower operations and maintenance expenses. We also experienced lower government engineering and support services expenses directly related to the decrease in government engineering and support services revenue, partially offset by increased satellite operations and engineering costs and increased expense related to new commercial engineering and support services work.

### ***Research and Development***

Research and development expenses decreased by 15.6% to \$14.7 million for the nine months ended September 30, 2010 from \$17.4 million for the 2009 Nine-Month Period, primarily as a result of a decrease in expenses related to the completion of a new M2M data device and decreased expenses related to Iridium NEXT projects as they transitioned out of the research and development stage, partially offset by an increase in equipment upgrade projects.

### ***Depreciation and Amortization***

Depreciation and amortization expenses increased by 523.2% to \$67.6 million for nine months ended September 30, 2010 from \$10.9 million for the 2009 Nine-Month Period, primarily as a result of \$57.7 million in additional depreciation and amortization attributable to increased asset values related to acquisition accounting.

### ***Selling, General and Administrative***

Selling, general and administrative expenses increased by 10.0% to \$48.9 million for the nine months ended September 30, 2010 from \$44.5 million for the 2009 Nine-Month Period, primarily due to an increase in professional fees (consulting, accounting, legal and regulatory) related to becoming a public company and our geographic expansion, increased expenses related to our new corporate headquarters, and increased sales and marketing costs related to trade shows, partially offset by a reduction in bad debt expense.

### ***Transaction Costs***

Transaction costs related to the Acquisition were \$12.5 million for the 2009 Nine-Month Period. Transaction costs primarily include legal, accounting and consulting fees. There were no such costs for the nine months ended September 30, 2010.

### ***Interest Income (Expense), Net of Capitalized Interest***

Interest income (expense), net of capitalized interest was \$0.4 million for the nine months ended September 30, 2010 and (\$12.5) million for the 2009 Nine-Month Period, primarily due to borrowing under Iridium's credit facilities that were outstanding during the 2009 Nine-Month Period and subsequently paid off immediately following the Acquisition.

### ***Income Tax Provision***

For the nine months ended September 30, 2010, our income tax provision was \$10.2 million based on our estimated annual effective tax rate of approximately 49% plus discrete items.

Our reserve for uncertain tax positions includes unrecognized tax benefits related to certain U.S. and foreign transfer pricing adjustments and taxable presence in certain foreign jurisdictions.

### ***Liquidity and Capital Resources***

As of September 30, 2010, our total cash and cash equivalents were \$104.6 million. Our principal sources of liquidity are existing cash, internally generated cash flows and the new Facility we entered into on October 4, 2010. Our principal liquidity requirements are to meet capital expenditure needs, including the design, manufacture, and deployment of Iridium NEXT, working capital and research and development expenses.

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As discussed earlier, on October 25, 2010, we closed on the Facility, which resulted in the FSD becoming effective and the ATP being terminated. Additionally, the SpaceX Agreement became effective, and we paid arrangement fees related to the Facility. We have also entered into a settlement agreement and certain other agreements with Motorola. As a result of these events, we had several significant cash outflows subsequent to quarter end totaling an aggregate of \$129.3 million, which are detailed in the table below:

	(In millions)
ATP payments	\$ 54.7
Arrangement fees to the syndicated banks	46.6
SpaceX payments	5.0
Motorola payment	23.0

On October 29, 2010, we completed our first draw of \$135.1 million under the Facility, which was in part used to replenish our cash balance due to the significant cash outflows described above. As of October 31, 2010, our total cash and cash equivalents was approximately \$111.0 million. We expect our overall liquidity levels in the next twelve months to be lower than levels since the completion of the Acquisition as we continue our development of Iridium NEXT. We believe that our liquidity sources will provide sufficient funds for us to meet our liquidity requirements for the next twelve months.

### *Cash and Indebtedness*

Our total cash and cash equivalents were \$104.6 million at September 30, 2010, and we had \$15.4 million payable due to Motorola at September 30, 2010.

### *Cash Flows*

The following section highlights our cash flows for the nine months ended September 30, 2010 and Iridium's cash flows for the 2009 Nine-Month Period.

### *Cash Flows*

#### ***Cash Flows from Operating Activities***

Net cash provided by our operating activities for the nine months ended September 30, 2010 was \$104.6 million, generated from net income of \$12.6 million, adjusted for non-cash items including \$71.2 million for depreciation and amortization and stock-based compensation, a \$20.8 million increase in our working capital due to a release of restricted cash, a decrease in inventory related to acquisition accounting and inventory management, an increase in deferred revenue resulting from higher sales of prepaid services, and an increase in accounts payable and accrued liabilities due to the timing of payments to vendors, partially offset by payments to SpaceX, and an increase in accounts receivable related to timing of collections.

Net cash provided by Iridium's operating activities for the 2009 Nine-Month Period was \$64.2 million, generated from net income of \$53.3 million, adjusted for non-cash items including \$18.8 million for depreciation and amortization, equity-based compensation and other non-cash amortization and accretion, and a \$7.9 million reduction in working capital due to a reversal of accrued Iridium NEXT prime contractor fees, interest paid related to credit facilities, bonus incentive payments to employees, an increase in accounts receivable related to timing of collections, and a decrease in accounts payable due to the timing of payments to vendors, partially offset by a decrease in inventory related to inventory management.

#### ***Cash Flows from Investing Activities***

Net cash used in investing activities for the nine months ended September 30, 2010 was \$138.9 million, which included \$4.6 million paid to some of the former members of Iridium Holdings for tax benefits we received as a result of the Acquisition and \$134.3 million of capital expenditures to our prime contractor related to Iridium NEXT, payments related to our new corporate headquarters, and purchase of equipment and software for our satellite and network operations, gateway and corporate systems. As of September 30, 2010, we had paid \$94.6 million to Thales for work related to the ATP.

Net cash used in Iridium's investing activities for the 2009 Nine-Month Period was \$7.7 million resulting from capital expenditures primarily related to equipment and software for Iridium's satellite and network operations, gateway and corporate systems.

#### ***Cash Flows from Financing Activities***

Net cash used in financing activities for the nine months ended September 30, 2010 was \$8.2 million resulting from deferred financing fees incurred in conjunction with obtaining debt financing for the design and manufacture of Iridium NEXT.

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Net cash used in Iridium's financing activities for the 2009 Nine-Month Period was \$23.3 million resulting from repayments under credit facilities.

### ***Off-Balance Sheet Arrangements***

We do not currently have, nor have we or Iridium 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. April through October are typically the peak months for commercial voice services revenue and related subscriber equipment sales. U.S. government revenue and commercial M2M revenue have been less subject to seasonal usage changes.

### ***Accounting Developments***

In October 2009, the Financial Accounting Standards Board, or the FASB, issued Accounting Standards Update 2009-13, "*Revenue Recognition (Topic 605) Multiple-Deliverable Revenue Arrangements, a consensus of the FASB Emerging Issues Task Force*," or ASU 2009-13. ASU 2009-13 amends existing accounting guidance for separating consideration in multiple-deliverable arrangements. ASU 2009-13 establishes a selling price hierarchy for determining the selling price of a deliverable. The selling price used for each deliverable will be based on vendor-specific objective evidence if available, third-party evidence if vendor-specific evidence is not available, or the estimated selling price if neither vendor-specific evidence nor third-party evidence is available. ASU 2009-13 eliminates the residual method of allocation and requires that consideration be allocated at the inception of the arrangement to all deliverables using the "relative selling price method." The relative selling price method allocates any discount in the arrangement proportionately to each deliverable on the basis of each deliverable's selling price. ASU 2009-13 requires that a vendor determine its best estimate of selling price in a manner that is consistent with that used to determine the price to sell the deliverable on a stand-alone basis. ASU 2009-13 is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, with earlier adoption permitted. We have not yet determined the impact of the adoption of ASU 2009-13 on our financial position or results of operations.

In April 2010, the FASB issued Accounting Standards Update 2010-17, "*Revenue Recognition—Milestone Method (Topic 605) Milestone Method of Revenue Recognition, a consensus of the FASB Emerging Issues Task Force*" or ASU 2010-17. ASU 2010-17 provides guidance on the criteria that should be met for determining whether the milestone method of revenue recognition is appropriate. A vendor can recognize consideration that is contingent upon achievement of a milestone in its entirety as revenue in the period in which the milestone is achieved only if the milestone meets all criteria to be considered substantive. For the milestone to be considered substantive, the considerations earned by achieving the milestone should meet all of the following criteria: (i) be commensurate with either the vendor's performance to achieve the milestone or the enhancement of the value of the item delivered as a result of a specific outcome resulting from the vendor's performance to achieve the milestone, (ii) relate solely to past performance, and (iii) be reasonable relative to all deliverables and payment terms in the arrangement. An individual milestone may not be bifurcated and an arrangement may include more than one milestone. Accordingly, an arrangement may contain both substantive and nonsubstantive milestones. ASU 2010-17 is effective prospectively for milestones achieved in fiscal years, and interim periods within those years, beginning on or after June 15, 2010 (our fiscal year ending December 31, 2011), with earlier adoption permitted. We have not yet determined the impact of the adoption of ASU 2010-17 on our financial position or results of operations.

## **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Interest income on our cash and cash equivalents is subject to interest rate fluctuations. For the three and nine months ended September 30, 2010, a ten percent increase or decrease in interest rates would not have had a material effect on our interest income.

Under the original ATP and FSD with Thales entered into in June 2010, a portion of the aggregate fixed price was denominated in Euros. The parties agreed to convert the Euro portion into dollars at the time we became eligible to make the first draw under the contemplated credit facility, which was the time the FSD would become effective. It was also a condition to the closing of the Facility and the effectiveness of the FSD that the Euro-dollar exchange rate remained below a specified target. In the third quarter of 2010, we entered into amendments with Thales to the ATP and the FSD pursuant to which we paid \$37.6 million to Thales to mitigate most of the risk of potential currency fluctuations on the Euro-denominated portion of the fixed price. At the time we completed the Facility on October 25, 2010 and the FSD became effective, the Euro-denominated portion of the fixed price under the FSD was converted into dollars. As a result, we will not bear any foreign currency exchange risk under the FSD going forward.

We entered into the Facility in October 2010, subsequent to the end of the third quarter of 2010, and have since borrowed \$135.1 million under the Facility. A portion of the draws we make under the Facility bear interest at a floating rate equal to the LIBOR plus 1.95% and will, accordingly, subject us to interest rate fluctuations in future periods. Had the currently outstanding borrowings under the Facility been outstanding throughout the three and nine months ended September 30, 2010, a one-half percentage point increase or decrease in the LIBOR would not have had a material effect on our interest expense.

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash and cash equivalents, receivables and payables. The majority of this cash is swept nightly into a money market fund invested in U.S. treasuries. We perform credit evaluations of our customers' financial condition and record reserves to provide for estimated credit losses. Accounts receivable are due from both domestic and

international customers. Accounts payable are owed to both domestic and international vendors. We maintain our cash and cash equivalents with financial institutions with high credit ratings. We maintain deposits in federally insured financial institutions in excess of federally insured (FDIC) limits.

#### **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



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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. Based on this evaluation, our chief executive officer and our chief financial officer concluded that our disclosure controls and procedures were effective 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 SEC'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 September 30, 2010, there were no changes in our internal control over financial reporting 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**

On October 1, 2010, we, together with Iridium Satellite and Iridium Holdings, entered into a settlement agreement dated as of September 30, 2010, or the Settlement Agreement, with Motorola, Inc., or Motorola, to fully and finally settle the litigation filed by Motorola against Iridium Satellite and Iridium Holdings in the Circuit Court of Cook County, Illinois, County Department—Chancery Division (captioned Motorola, Inc. vs. Iridium Satellite LLC and Iridium Holdings LLC, Docket No. 10 CH 05684), which was previously reported in our quarterly report on Form 10-Q for the quarter ended March 31, 2010. Pursuant to the Settlement Agreement, which contains no admission of liability by any party, and other agreements executed at the same time, Iridium Satellite will pay Motorola \$46.0 million, in consideration of payment of debt of \$15.4 million otherwise due this year, expanded intellectual property licenses, the conversion of existing intellectual property licenses from being royalty-based to prepaid, transfer to us of ownership of certain intellectual property rights and termination of Motorola's rights to distributions and payments based on the value of our company upon certain "triggering events."

Except as noted above, neither we nor any of our subsidiaries are currently subject to any material legal proceeding, nor, to our knowledge, is any material legal proceeding threatened against us or any of our subsidiaries.

#### **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. The descriptions below include any material changes to and supersede the description of the risk factors affecting our business previously disclosed in "Part I, Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2009 and "Part II, Item 1A. Risk Factors" of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2010.

#### ***Our business plan depends on increased demand for mobile satellite services and demand for secondary payloads, among other factors.***

Our business plan is predicated on growth in demand for mobile satellite services and the demand for secondary payloads on our next-generation satellite constellation, Iridium NEXT. Demand for mobile satellite services may not grow, or may even contract, either generally or in particular geographic markets, for particular types of services or during particular time periods and demand for secondary payloads may not materialize or may be priced lower than our expectations. A lack of demand could impair our ability to sell products and services, develop and successfully market new products and services and could exert downward pressure on prices. Any decline in prices would decrease our revenues and profitability and negatively affect our ability to generate cash for investments and other working capital needs.

Our ability to successfully implement our business plan will also depend on a number of other factors, including:

- our ability to maintain the health, capacity and control of our existing satellite constellation;
- our ability to complete the design, build and launch of Iridium NEXT and related ground infrastructure, products and services, and, once launched, our ability to maintain the health, capacity and control of such satellite constellation;
- the level of market acceptance and demand for our products and services;
- our ability to introduce innovative new products and services that satisfy market demand, including new service offerings on Iridium NEXT;
- our ability to obtain additional business using our existing spectrum resources both in the United States and internationally;
- our ability to sell our products and services in additional countries;
- our ability to maintain our relationship with U.S. government customers, particularly the Department of Defense, or DoD;
- the ability of our distributors to market and distribute our products, services and applications effectively and their continued

development of innovative and improved solutions and applications for our products and services;

- the effectiveness of our competitors in developing and offering similar services and products; and
- our ability to maintain competitive prices for our products and services and control costs.



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***We may need additional capital to design, build and launch Iridium NEXT and related ground infrastructure, products and services, and pursue additional growth opportunities. If we fail to maintain access to sufficient capital, we will not be able to successfully implement our business plan.***

Our business plan calls for the development of Iridium NEXT, the development of new product and service offerings, upgrades to our current services, hardware and software upgrades to maintain our ground infrastructure and upgrades to our business systems. We estimate the costs associated with the design, build and launch of Iridium NEXT and related infrastructure upgrades through early 2017 will be approximately \$3 billion. While we expect to fund these costs with borrowings under our new \$1.8 billion credit facility, together with internally generated cash flows, including potential revenues from secondary payloads and warrant proceeds, it is possible that these sources will not be sufficient to fully fund Iridium NEXT and we might need to finance the remaining cost by raising additional debt or equity financing. In addition, we may need additional capital to design and launch new products and services on Iridium NEXT.

Our ability to make ongoing draws under the credit facility will be dependent upon our satisfaction of various borrowing conditions from time to time, some of which will be outside of our control. In addition, there can be no assurance that our internally generated cash flows will meet our current expectations or that we will not encounter increased costs. Among other factors leading to the uncertainty over our internally generated cash flows, some of the warrants whose proceeds we expect to use to fund a portion of Iridium NEXT are currently “under water,” meaning they have an exercise price per share that is significantly higher than the current price at which our common stock is trading. In addition, none of the warrants are callable by us until such time as our stock trades at a per share price greater than \$14.25 for our \$7.00 warrants, or \$18.00 for our \$11.50 warrants, for an extended period of time. On November 5, 2010, the closing price of our common stock was \$8.69 per share. Unless our stock price increases significantly, we would not expect the under-water warrants to be exercised, and we will not be able to call any of the warrants. If available funds from our credit facility and internally generated cash flows are less than we expect, our ability to maintain our network, design, build and launch Iridium NEXT and related ground infrastructure, develop new products and services, and pursue additional growth opportunities will be impaired, which would significantly limit the development of our business and impair our ability to provide a commercially acceptable level of service. We expect to experience overall liquidity levels lower than our recent liquidity levels. Inadequate liquidity could compromise our ability to pursue our business plans and growth opportunities, make borrowings under our credit facility, delay the ultimate deployment of Iridium NEXT and otherwise impair our business and financial position.

***If we fail to satisfy the ongoing borrowing conditions of our credit facility, we may be unable to fund Iridium NEXT.***

We plan to use borrowings under the credit facility to partially fund the construction of our Iridium NEXT satellites, including borrowing to capitalize interest otherwise due under such facility. Our ability to continue to draw funds under the credit facility over time will be dependent on the satisfaction of borrowing conditions, including:

- compliance with the covenants under the credit facility, including financial covenants and covenants relating to secondary payloads;
- accuracy of the representations we make under the credit facility;
- compliance with the other terms of the credit facility, including the absence of events of default; and
- maintenance of the policy with Compagnie Française d’Assurance pour le Commerce Extérieur, or COFACE, the French export credit agency.

Some of these borrowing conditions are outside of our control. If we do not continue to satisfy the borrowing conditions under the credit facility, we would need to find other sources of financing. In addition, we would have to seek the permission of the lenders under the credit facility in order to obtain any alternative source of financing, and there can be no assurance that we would have access to other sources of financing on acceptable terms, or at all.

***If we default under our credit facility, the lenders may require immediate repayment in full of amounts borrowed or foreclose on our assets.***

Our credit facility contains events of default, including:

- non-compliance with the covenants under the credit facility, including financial covenants and covenants relating to secondary payloads;

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- cross-default with other indebtedness;
- insolvency of any obligor under the credit facility;
- revocation of the COFACE policy;
- failure to maintain our current satellite constellation or complete Iridium NEXT by a specified time; and
- a determination by the lenders that we have experienced a material adverse change in our business.

Some of these events of default are outside of our control. If we experience an event of default, 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 includes substantially all of our assets and those of our domestic subsidiaries.

***Our credit facility restricts the manner in which we may operate our business, which may prevent us from successfully implementing our business plan.***

Our credit facility contains restrictions on the operation of our business, including limits on 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; and
- make loans, guarantees or indemnities.

Complying with these restrictions may cause us to take actions that are not favorable to holders of our securities and may make it more difficult for us to successfully execute our business plan and compete against companies who are not subject to such restrictions.

***If we are unable to effectively develop and deploy Iridium NEXT before our current satellite constellation ceases to provide a commercially acceptable level of service, our business will suffer.***

We are currently developing Iridium NEXT, which we expect to commence launching in early 2015. While we expect our current constellation to provide a commercially acceptable level of service through the transition to Iridium NEXT, we cannot guarantee it will provide a commercially acceptable level of service through this transition period. If we are unable, for any reason, including as a result of insufficient funds, manufacturing or launch delays, launch failures, in-orbit satellite failures, inability to achieve or maintain orbital placement or delays in receiving regulatory approvals, to deploy Iridium NEXT before our current constellation ceases to provide a commercially acceptable level of service or if we experience backward compatibility problems with our new constellation once deployed, we will likely lose customers and business opportunities to our competitors, resulting in a material decline in revenues and profitability and inability to service debt as our ability to provide a commercially acceptable level of service is impaired.

***Iridium NEXT may not be completed on time, and the costs associated with it may be greater than expected.***

We estimate the costs associated with the design, build and launch of Iridium NEXT and related infrastructure upgrades through 2017 will be approximately \$3 billion although our actual costs could substantially exceed this estimate. We may not complete Iridium

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NEXT and related infrastructure on time, on budget or at all. The design, manufacture and launch of satellite systems are highly complex and historically have been subject to delays and cost over-runs. Development of Iridium NEXT may suffer from additional delays, interruptions or increased costs due to many factors, some of which may be beyond our control, including:

- lower than anticipated internally generated cash flows;
- lower than expected secondary payload funding;
- the failure to receive proceeds from the exercise of our outstanding warrants, some of which are currently significantly under water;
- the failure to maintain our ability to make draws under our credit facility, including by reason of our failure to satisfy any ongoing financial or other condition to making draws;
- operating and other requirements imposed by the lenders under our credit facility;
- engineering or manufacturing performance falling below expected levels of output or efficiency;
- complex integration of ground segment, the Iridium NEXT satellites and the transition from our current constellation;
- denial or delays in receipt of regulatory approvals or non-compliance with conditions imposed by regulatory authorities;
- the breakdown or failure of equipment or systems;
- non-performance by third-party contractors, including the prime system contractor;
- the inability to license necessary technology on commercially reasonable terms or at all;
- use of a new or unproven launch vehicle or the failure of the launch services provider to sustain its business;
- launch delays or failures or in-orbit satellite failures once launched or the decision to manufacture additional replacement satellites for future launches;
- labor disputes or disruptions in labor productivity or the unavailability of skilled labor;
- increases in the costs of materials;
- changes in project scope;
- additional requirements imposed by changes in laws; or
- severe weather or catastrophic events such as fires, earthquakes, storms or explosions.

In addition, we have not entered into contracts for significant portions of the development needed to complete Iridium NEXT, and there can be no assurance such development will be completed on-time, on budget or at all. If the design, manufacture and deployment of Iridium NEXT costs more or takes longer than we anticipate, our ability to continue to develop Iridium NEXT and related infrastructure could be compromised.

***Loss of any Iridium NEXT satellite during launch could delay or impair our ability to offer our services, and launch insurance, to the extent available, will not fully cover this risk.***

The launch of our Iridium NEXT satellites will be subject to the inherent risk of launch failures, which could result in the loss or destruction of one or more satellites. We have entered into a Contract for Launch Services, or the SpaceX Agreement, with Space Exploration Technologies Corp., or SpaceX, pursuant to which SpaceX will provide launch services to us in connection with our deployment of Iridium NEXT. The SpaceX Agreement contemplates multiple launches on SpaceX's Falcon 9 rocket over a two-year period. SpaceX has a limited operating history and limited financial resources, and the Falcon 9 rocket is a new launch vehicle with a limited launch history, which could expose us to delay, greater risk of launch failure or the need to utilize an alternate launch services provider. In addition, we are required under the terms of our credit facility to enter into an agreement with a back-up launch services provider and to insure a portion of the launch of our Iridium NEXT satellites, and we expect to self-insure the remaining portion. Launch insurance currently costs approximately 6% to 20% of the insured value of the satellites launched, including launch costs, but may vary depending on market conditions and the safety record of the launch vehicle. In addition, we expect any launch insurance policies that we obtain to include specified exclusions, deductibles and material change limitations. Typically, these insurance policies exclude coverage for damage arising from acts of war, lasers and other similar potential risks for which exclusions are customary in the industry. If launch insurance rates were to rise substantially, our future launch costs could increase. It is also possible that insurance could become unavailable or prohibitively expensive, either generally or for a specific launch vehicle, or that new insurance could be subject to broader exclusions on coverage or limitations on losses, in which event we would bear the risk of launch failures. Even if a lost satellite is fully insured, acquiring a replacement satellite may be difficult and time consuming and could delay the deployment of Iridium NEXT. Furthermore, launch insurance does not cover lost revenue.

***Our satellites have a limited life and may fail prematurely, which would cause our network to be compromised and materially and adversely affect our business, prospects and profitability.***

Since we introduced commercial services in 2001, we have experienced seven satellite losses. Six of our satellites have failed in orbit, which has resulted in either the complete loss of the affected satellites or the loss of the ability of the satellite to carry traffic on the network, and one satellite was lost as a result of a collision with a non-operational Russian satellite.

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Also, our satellites have already exceeded their original design lives and although actual useful life typically exceeds original design life, the useful lives of our satellites may be shorter than we expect. In addition, additional satellites may fail or collide with space debris or other satellites in the future, and we cannot assure you that our in-orbit spare satellites will be sufficient to replace such satellites or that we will be able to replace them in a timely manner. As a result, while we expect our current constellation to provide a commercially acceptable level of service through the transition to Iridium NEXT, we cannot guarantee we will be able to provide such level of service through the transition period.

In-orbit failure may result from various causes, including component failure, loss of power or fuel, inability to control positioning of the satellite and solar or other astronomical events, including solar radiation and flares and space debris. Other factors that could affect the useful lives of our satellites include the quality of construction, gradual degradation of solar panels and the durability of components. Radiation-induced failure of satellite components may result in damage to or loss of a satellite before the end of its expected life. As our constellation has aged, some of our satellites have experienced individual component failures affecting their coverage or transmission capacity and other satellites may experience such failures in the future, which could adversely affect the reliability of their service. As a result, fewer than 66 of our in-orbit satellites will be fully functioning at any time. Although we do not incur any direct cash costs related to the failure of a satellite, if a satellite fails, we record an impairment charge in our statement of operations reflecting the remaining net book value of that satellite, which could significantly depress our net income for the period in which the failure occurs.

From time to time, we are advised by our customers and end-users of temporary intermittent losses of signal cutting off calls in progress, preventing completions of calls when made or disrupting the transmission of data. If the magnitude or frequency of such problems increase and we are no longer able to provide a commercially acceptable level of service, our business and financial results and our reputation would be hurt and our ability to pursue our business plan would be compromised.

We may be required in the future to make further changes to our constellation to maintain or improve its performance. Any such changes may require prior Federal Communications Commission, or FCC, approval and the FCC may subject the approval to other conditions that could be unfavorable to our business. In addition, from time to time we may reposition our satellites within the constellation in order to optimize our service, which could result in degraded service during the repositioning period. Although there are some remote tools we use to remedy certain types of problems affecting the performance of our satellites, the physical repair of our satellites in space is not feasible.

***We are dependent on intellectual property licensed from third parties to operate our constellation and sell our devices and for the enhancement of our existing products and services.***

We license critical system technology, including certain software and systems, to operate and maintain our network as well as technical information for the design, manufacture and sale of our devices. This intellectual property is essential to our ability to continue to operate our constellation and sell our services, handsets and data devices. In addition, we are dependent on such third parties to develop enhancements to our current products and services even in circumstances where we own the intellectual property. If any third-party owner of such intellectual property were to terminate any license agreement or cease to support and service this technology or perform development on our behalf, or if we are unable to renew such licenses on commercially reasonable terms or at all, it may be difficult, more expensive or impossible to obtain such services from alternative vendors. Any substitute technology may also be costly to develop and integrate, and have lower quality or performance standards, which would adversely affect the quality of our products and services. In connection with the design, manufacture and operation of Iridium NEXT and related ground infrastructure and the development of new products and services to be offered on Iridium NEXT, we may be required to obtain additional intellectual property rights from third parties. We cannot assure you that we will be able to obtain such intellectual property rights on commercially reasonable terms or at all. If we are unable to obtain such intellectual property rights or are unable to obtain such rights on commercially reasonable terms, we may not complete Iridium NEXT and related ground infrastructure on budget or at all or may not be able to develop new products and services to be offered on Iridium NEXT.

***Our products could fail to perform or perform at reduced levels of service because of technological malfunctions or deficiencies or events outside of our control which would seriously harm our business and reputation.***

Our products and services are subject to the risks inherent in a large-scale, complex telecommunications system employing advanced technology. Any disruption to our satellites, services, information systems or telecommunications infrastructure could result in the inability of our customers to receive our services for an indeterminate period of time. These customers include government agencies conducting mission-critical work throughout the world, as well as consumers and businesses located in remote areas of the world and operating under harsh environmental conditions where traditional telecommunications services may not be readily available. Any disruption to our services or extended periods of reduced levels of service could cause us to lose customers or revenue, result in delays or cancellations of future implementations of our products and services, result in failure to attract customers or result in litigation, customer service or repair work that would involve substantial costs and distract management from operating our business. The failure of any of the diverse elements of our system, including our satellites, our commercial gateway, or our network operations center to function as required could render our system unable to perform at the quality and capacity levels required for success. Any system failures, repeated product failures or shortened product life or extended reduced levels of service could reduce our sales, increase costs or result in warranty or liability claims, cause us to extend our warranty period and seriously harm our business.

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### ***Additional satellites may collide with space debris or another spacecraft, which could adversely affect the performance of our constellation and business.***

In February 2009, we lost an operational satellite as a result of a collision with a non-operational Russian satellite. Although we have some ability to actively maneuver our satellites to avoid potential collisions with space debris or other spacecraft, this ability is limited by, among other factors, various uncertainties and inaccuracies in the projected orbit location of and predicted conjunctions with debris objects tracked and cataloged by the U.S. government. Additionally, some space debris is too small to be tracked and therefore its orbital location is completely unknown; nevertheless this debris is still large enough to potentially cause severe damage or a failure of our satellites should a collision occur. If our constellation experiences additional satellite collisions with space debris or other spacecrafts, our ability to operate our constellation may be impaired.

### ***The space debris created by the February 2009 satellite collision may cause damage to other spacecraft positioned in a similar orbital altitude.***

The collision of one of our satellites with a non-operational Russian satellite created a space debris field concentrated in the orbital altitude where the collision occurred, and thus increased the risk of space debris damaging or interfering with the operation of our satellites, which travel in this orbital altitude, and satellites owned by third parties, such as U.S. or foreign governments or agencies and other satellite operators. Although there are tools used by us and providers of tracking services, such as the U.S. Joint Space Operations Center, to detect, track and identify space debris, we or third parties may not be able to maneuver the satellites away from such debris in a timely manner. Any such collision could potentially expose us to significant losses and liability.

### ***As our product portfolio expands, our failure to manage growth effectively could impede our ability to execute our business plan and we may experience increased costs or disruption in our operations.***

We currently face a variety of challenges, including maintaining the infrastructure and systems necessary for us to operate as a public company and managing the growth of our business. As our product portfolio continues to expand, the responsibilities of our management team and other company resources also grow. Consequently, we may further strain our management and other company resources with the increased complexities and administrative burdens associated with a larger, more complex product portfolio. Our failure to meet these challenges as a result of insufficient management or other resources could significantly impede our ability to execute our business plan. To properly manage our growth, we may need to hire and retain personnel, upgrade our existing operational management and financial and reporting systems and improve our business processes and controls. Failure to effectively manage the expansion of our product portfolio in a cost-effective manner could result in declines in product and service quality and customer satisfaction, increased costs or disruption of our operations.

### ***If we experience operational disruptions with respect to our commercial gateway or operations center, we may not be able to provide service to our customers.***

Our commercial satellite network traffic is supported by a primary ground station gateway in Tempe, Arizona. In addition, we operate our satellite constellation from our satellite network operations center in Leesburg, Virginia. Currently, we do not have a back-up facility for our gateway, and we would not be able to implement our backup to the Virginia operations center in real time if either of those facilities experienced a catastrophic failure. Both facilities are subject to the risk of significant malfunctions or catastrophic loss due to unanticipated events and would be difficult to replace or repair and could require substantial lead-time to do so. Material changes in the operation of these facilities may be subject to prior FCC approval, and the FCC might not give such approval or may subject the approval to other conditions that could be unfavorable to our business. Our gateway and operations center may also experience service shutdowns or periods of reduced service in the future as a result of equipment failure, delays in deliveries or regulatory issues. Any such failure would impede our ability to provide service to our customers.

### ***We may be unable to obtain and maintain in-orbit liability insurance, and the insurance we obtain may not cover all liabilities to which we may become subject.***

Pursuant to the amended and restated transition services, products and asset agreement, or TSA, among Iridium Holdings, Iridium Satellite and Motorola, Inc., or Motorola, and pursuant to the indemnification agreement among Iridium Satellite, The Boeing Company, or Boeing, Motorola and the U.S. government, or Indemnification Agreement, Iridium Satellite is required to maintain an in-orbit liability insurance policy with a de-orbiting endorsement. The current policy together with the de-orbiting endorsement covers amounts that Iridium Satellite and other named parties may become liable to pay for bodily injury and property damages to third parties related to processing, maintaining and operating our satellite constellation and, in the case of the de-orbiting endorsement, de-orbiting our satellite constellation. The current policy has a one-year term, which expires December 12, 2010 and excludes coverage for all third-party damages relating to the 2009 collision of our satellite with a non-operational Russian satellite. The price, terms and



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availability of insurance have fluctuated significantly since we began offering commercial satellite services. The cost of obtaining insurance can vary as a result of either satellite failures or general conditions in the insurance industry. Higher premiums on insurance policies would increase our cost. In-orbit liability insurance policies on satellites may not continue to be available on commercially reasonable terms or at all. In addition to higher premiums, insurance policies may provide for higher deductibles, shorter coverage periods and additional policy exclusions. For example, our current de-orbit insurance covers only twelve months from attachment and therefore would not cover losses arising outside that timeframe. Our failure to renew Iridium Satellite's current in-orbit liability insurance policy or obtain a replacement policy would trigger de-orbit rights held by the U.S. government and Boeing, which, if exercised, would eliminate our ability to provide mobile satellite communications services. See "—The U.S. government, Motorola and Boeing may unilaterally require us to de-orbit our current constellation upon the occurrence of certain events" below for more information. In addition, even if Iridium Satellite continues to maintain an in-orbit liability insurance policy, the coverage may not protect us against all third-party losses, which could be material.

Iridium Satellite's current in-orbit liability insurance policy contains, and we expect any future policies would likewise contain, specified exclusions and material change limitations customary in the industry. These exclusions may relate to, among other things, losses resulting from in-orbit collisions such as the one we experienced in 2009, acts of war, insurrection, terrorism or military action, government confiscation, strikes, riots, civil commotions, labor disturbances, sabotage, unauthorized use of the satellites and nuclear or radioactive contamination, as well as claims directly or indirectly occasioned as a result of noise, pollution, electrical and electromagnetic interference and interference with the use of property.

In addition to Iridium Satellite's in-orbit liability insurance policy, we are required under the Indemnification Agreement to purchase product liability insurance to cover potential liability of Motorola, as the manufacturer of the satellites in our current constellation. We may not in the future be able to renew this product liability coverage on reasonable terms and conditions, or at all. Any failure by us to maintain this insurance could increase our exposure to third-party damages that may be caused by any of our satellites. If Iridium Satellite is unable to obtain such insurance on commercially reasonable terms and the U.S. government has not agreed to cover the amounts that would have otherwise been paid by such insurance, Motorola could invoke its de-orbit rights which, if exercised, would eliminate our ability to provide mobile satellite communications services. See "—The U.S. government, Motorola and Boeing may unilaterally require us to de-orbit our constellation upon the occurrence of specified events" below for more information.

### ***We do not maintain in-orbit insurance covering losses from satellite failures or other operational problems affecting our constellation.***

We do not maintain in-orbit insurance covering losses that might arise as a result of a satellite failure or other operational problems affecting our constellation. The terms of our credit facility, however, will require us to obtain and maintain such insurance for the Iridium NEXT satellites for a period of 12 months after launch. We may not be able to obtain such insurance on acceptable terms, if at all. If we are not able to obtain in-orbit insurance, we may be unable to obtain a waiver which would trigger an event of default and would likely accelerate repayment of all outstanding borrowings. Even if we obtain in-orbit insurance in the future, the coverage may not be sufficient to compensate us for satellite failures and other operational problems affecting our satellites, as it may either contain large deductible amounts or provide reimbursement only after a specified number of satellite failures. As a result, a failure of one or more of our satellites or the occurrence of equipment failures and other related problems would constitute an uninsured loss and could harm our financial condition.

### ***We may be negatively affected by current global economic conditions.***

Our operations and performance depend significantly on worldwide economic conditions. Uncertainty about current global economic conditions poses a risk as individual consumers, businesses and governments may postpone spending in response to tighter credit, negative financial news, declines in income or asset values or budgetary constraints. Reduced demand would cause a decline in our revenues and make it more difficult for us to operate profitably, potentially compromising our ability to pursue our business plan. While we expect the number of our subscribers and revenues to continue to grow, we expect the future growth rate will be slower than our historical growth and may not continue in every quarter of every year. We expect our future growth rate will be impacted by the current economic slowdown, increased competition, maturation of the satellite communications industry and the difficulty in sustaining high growth rates as we increase in size. Any substantial appreciation of the U.S. dollar may also negatively impact our growth by increasing the cost of our products and services in foreign countries.

### ***We could lose market share and revenues as a result of increasing competition from companies in the wireless communications industry, including cellular and other satellite operators, and from the extension of land-based communication services.***

We face intense competition in all of our markets, which could result in a loss of customers and lower revenues and make it more difficult for us to enter new markets. We compete primarily on the basis of coverage, quality, portability and pricing of services and products.

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There are currently six other satellite operators providing services similar to ours on a global or regional basis: Inmarsat plc, or Inmarsat, Globalstar, Inc., ORBCOMM Inc., LightSquared (formerly SkyTerra Communications Inc.), Thuraya Telecommunications Co. and ACeS International Limited. In addition, several regional mobile satellite services companies, including ICO Global Communications (Holdings) Limited, TerreStar Corporation and Lightsquared, are attempting to exploit their spectrum positions into a U.S. consumer mobile satellite services business. The provision of satellite-based services and products is subject to downward price pressure when capacity exceeds demand or as a result of aggressive discounting by some operators under financial pressure to expand their respective market share. Some satellite operators, for example, subsidize the prices of their products, such as satellite handsets, and a new handset recently entered the market during 2010. In addition, we may face competition from new competitors or new technologies. For example, we may face competition for our land-based services in the United States from incipient ancillary terrestrial component, or ATC, service providers who are currently raising capital and designing a satellite operating business and a terrestrial component around their spectrum holdings. In addition, some of our competitors have announced plans for the launch of additional satellites. As a result of competition, we may not be able to successfully retain our existing customers and attract new customers.

In addition to our satellite-based competitors, terrestrial voice and data service providers, both wireline and wireless, could further expand into rural and remote areas and provide the same general types of services and products that we provide through our satellite-based system. Although satellite communications services and terrestrial communications services are not perfect substitutes, the two compete in some markets and for some services. Consumers generally perceive terrestrial wireless voice communication products and services as cheaper and more convenient than those that are satellite-based. Many of our terrestrial competitors have greater resources, wider name recognition and newer technologies than we do. In addition, industry consolidation could hurt us by increasing the scale or scope of our competitors and thereby making it more difficult for us to compete.

***Much of the hardware and software we use in operating our gateway was designed and manufactured over ten years ago and portions are becoming more difficult and expensive to service, upgrade or replace.***

Much of the hardware and software we use in operating our gateway was designed and manufactured over ten years ago and portions are becoming obsolete. As they continue to age, they may become less reliable and will be more difficult and expensive to service, upgrade or replace. Although we maintain inventories of some spare parts, it nonetheless may be difficult or impossible to obtain all necessary replacement parts for the hardware. Our business plan contemplates updating or replacing some of the hardware and software in our network, but the age of our existing hardware and software may present us with technical and operational challenges that complicate or otherwise make it not feasible to carry out our planned upgrades and replacements, and the expenditure of resources, both from a monetary and human capital perspective, may exceed our estimates. Without upgrading and replacing our equipment, obsolescence of the technologies that we use could have a material adverse affect on our revenues, profitability and liquidity.

***Rapid and significant technological changes in the satellite communications industry may impair our competitive position and require us to make significant additional capital expenditures.***

The satellite communications industries are subject to rapid advances and innovations in technology. We may face competition in the future from companies using new technologies and new satellite systems. New technology could render our system obsolete or less competitive by satisfying customer demand in more attractive ways or through the introduction of incompatible standards. Particular technological developments that could adversely affect us include the deployment by our competitors of new satellites with greater power, flexibility, efficiency or capabilities than our current constellation or Iridium NEXT, as well as continuing improvements in terrestrial wireless technologies. For us to keep up with technological changes and remain competitive, we may need to make significant capital expenditures, including capital to design and launch new products and services on Iridium NEXT, which are not included in our current cost estimates. Customer acceptance of the products and services that we offer will continually be affected by technology-based differences in our product and service offerings compared to those of our competitors. New technologies may be protected by patents or other intellectual property laws and therefore may not be available to us. Any failure by us to implement new technology within our system may compromise our ability to compete.

***Use by our competitors of L-band spectrum for terrestrial services could interfere with our services.***

In February 2003, the FCC adopted rules that permit satellite service providers to establish ATC networks. In July 2010, the FCC initiated a notice of inquiry to consider revising these rules. ATC frequencies are designated in previously satellite-only bands. The implementation of ATC services by satellite service providers in the United States or other countries may result in increased competition for the right to use L-band spectrum in the 1.6 GHz band, which we use to provide our services, and such competition may make it difficult for us to obtain or retain the spectrum resources we require for our existing and future services. In addition, the FCC's decision to permit ATC services was based on assumptions relating to the level of interference that the provision of ATC services would likely cause to other satellite service providers that use the L-band spectrum. If the FCC's assumptions prove inaccurate, or the level of ATC services provided exceeds those estimated by the FCC, ATC services could interfere with our satellites and devices, which may adversely impact our services. Outside the United States, other countries are actively considering implementing regulations to facilitate ATC services.



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### ***Our networks and those of our third-party service providers may be vulnerable to security risks.***

We expect the secure transmission of confidential information over public networks to continue to be a critical element of our operations. Our network and those of our third-party service providers and our customers may be vulnerable to unauthorized access, computer viruses and other security problems. Persons who circumvent security measures could wrongfully obtain or use information on the network or cause interruptions, delays or malfunctions in our operations, any of which could harm our reputation, cause demand for our products and services to fall and compromise our ability to pursue our business plans. Recently, there have been reported a number of significant, wide-spread security breaches that have compromised network integrity for many companies and governmental agencies, in some cases reportedly originating from outside the United States in countries such as China. In addition, there are reportedly private products available in the market today which attempt to unlawfully intercept communications made on our network. We may be required to expend significant resources to protect against the threat of security breaches or to alleviate problems, including reputational harm and litigation, caused by any breaches. In addition, our customer contracts, in general, do not contain provisions which would protect us against liability to third-parties with whom our customers conduct business. Although we have implemented and intend to continue to implement industry-standard security measures, these measures may prove to be inadequate and result in system failures and delays that could lower network availability which could harm our business.

### ***Our agreements with U.S. government customers, particularly the DoD, which represent a significant portion of our revenues, are subject to change or termination.***

The U.S. government, through a dedicated gateway owned and operated by the DoD, has been and continues to be, directly and indirectly, our largest customer, representing 23.6% of our revenues for the year ended December 31, 2009. We provide the majority of our services to the U.S. government pursuant to two contracts, both of which were entered into in April 2008, that provide for a one-year base term and up to four additional one-year options exercisable at the election of the U.S. government. The U.S. government renewed the second additional one-year term, which extended the term through March 2011. The U.S. government may terminate these agreements, in whole or in part, at any time. If the U.S. government terminates its agreements with us or fails to renew such agreements, we would lose a significant portion of our revenues.

Our relationship with the U.S. government is subject to the overall U.S. government budget and appropriation decisions and processes. U.S. government budget decisions, including with respect to defense spending, are based on changing government priorities and objectives, which are driven by numerous factors, including geopolitical events and macroeconomic conditions, and are beyond our control. Significant changes to U.S. defense spending, including as a result of the resolution of the conflicts in Iraq and Afghanistan, or a significant reduction in U.S. personnel in those countries, could reduce demand for our services and products by the U.S. government.

### ***We are dependent on third parties to market and sell our products and services.***

We rely on third-party distributors to market and sell our products and services to end-users and to determine the prices end-users pay. We also depend on our distributors to develop innovative and improved solutions and applications integrating our product and service offerings. As a result of these arrangements, we are dependent on the performance of our distributors to generate substantially all of our revenues. Our distributors operate independently of us, and we have limited control over their operations, which exposes us to significant risks. Distributors may not commit the necessary resources to market and sell our products and services and may also market and sell competitive products and services. In addition, our distributors may not comply with the laws and regulatory requirements in their local jurisdictions, which may limit their ability to market or sell our products and services. If current or future distributors do not perform adequately, or if we are unable to locate competent distributors in particular countries and secure their services on favorable terms, or at all, we may be unable to increase or maintain our revenues in these markets or enter new markets, and we may not realize our expected growth, and our brand image and reputation could be hurt.

In addition, we may lose distributors due to competition, consolidation, regulatory developments, business developments affecting our distributors or their customers or for other reasons. Any future consolidation of our distributors or the acquisition of a distributor by a competitor, such as the April 2009 acquisition of Stratos Global Corporation, one of our largest distributors, by Inmarsat, one of our main competitors, would further increase our reliance on a few key distributors of our services and the amount of volume discounts that we may have to give such distributors. Our ten most active distributors for the year ended December 31, 2009, accounted for, in the aggregate, 48.3% of total revenues. The loss of any of these distributors could reduce the distribution of our products and services as well the development of new product solutions and applications.

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***We have been and may in the future become subject to claims that our products violate the patent or intellectual property rights of others, which could be costly and disruptive to us.***

We operate in an industry that is susceptible to significant intellectual property litigation. As a result, we or our products may become subject to intellectual property infringement claims or litigation. The defense of intellectual property suits, even if frivolous, is both costly and time consuming and may divert management's attention from other business concerns. An adverse determination in litigation to which we may become a party could, among other things:

- subject us to significant liabilities to third parties, including treble damages;
- require disputed rights to be licensed from a third party for royalties that may be substantial;
- require us to cease using such technology; or
- prohibit us from selling some or all of our products or offering some or all of our services.

***Conducting and expanding our operations outside the United States creates numerous risks; these risks may harm our operations and our ability to expand our geographic operations.***

We have significant operations outside the United States. According to our estimates, commercial data traffic originating outside the United States accounted for 74.7% of total data traffic for the year ended December 31, 2008 and 68.9% of total data traffic for the for the year ended December 31, 2009, while commercial voice traffic originating outside the United States accounted for 90.1% of total voice traffic for the year ended December 31, 2008 and 90.2% of total voice traffic for the year ended December 31, 2009. We cannot provide the precise geographical distribution of end-users because we do not contract directly with them. Instead, we determine the country in which we earn our revenues based on where we invoice our distributors. These distributors sell services directly or indirectly to end-users, who may be located or use our products and services elsewhere. We are also seeking authorization to offer to sell our services in China and Russia.

Conducting operations outside the United States involves numerous special risks and, while expanding our international operations would advance our growth, it would also increase these risks. These include:

- difficulties in penetrating new markets due to established and entrenched competitors;
- difficulties in developing products and services that are tailored to the needs of local customers;
- lack of local acceptance or knowledge of our products and services;
- lack of recognition of our products and services;
- unavailability of or difficulties in establishing relationships with distributors;
- significant investments, including the development and deployment of dedicated gateways as certain countries require physical gateways within their jurisdiction to connect the traffic coming to and from their territory;
- instability of international economies and governments;
- changes in laws and policies affecting trade and investment in other jurisdictions;
- exposure to varying legal standards, including intellectual property protection in other jurisdictions;
- difficulties in obtaining required regulatory authorizations;
- difficulties in enforcing legal rights in other jurisdictions;
- local domestic ownership requirements;
- requirements that certain operational activities be performed in-country;
- changing and conflicting national and local regulatory requirements; and
- foreign currency exchange rates and exchange controls.

These risks could affect our ability to successfully compete and expand internationally.

The prices for our products are typically denominated in U.S. dollars. Any appreciation of the U.S. dollar against other currencies will increase the cost of our products and services to our international customers and, as a result, may reduce the competitiveness of our international offerings and make it more difficult for us to grow internationally.

***We are currently unable to offer service in important regions of the world due to regulatory requirements, which is limiting our growth and our ability to compete.***

Our ability to provide service in certain regions is limited by local regulations as some countries, including China, India and Russia, 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. While we are currently in discussions with parties in these countries to satisfy these regulatory requirements, 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



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ability to expand our product and service offerings in such areas and undermine our value for potential users who require service in these areas. 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 which may be in tension with or contravene the laws or regulations of the local jurisdiction. Such tensions could limit, delay or otherwise interfere with our ability to construct gateways or other infrastructure or network solutions around the world.

### ***The U.S. government, Motorola and Boeing may unilaterally require us to de-orbit our constellation upon the occurrence of specified events.***

When Iridium Satellite purchased the assets of Iridium LLC out of bankruptcy, Boeing, Motorola and the U.S. government required specified de-orbit rights as a way to control potential liability risk arising from future operation of the constellation, and provide for the U.S. government's obligation to indemnify Motorola pursuant to the Indemnification Agreement described below. As a result, the Indemnification Agreement was entered into among Iridium Satellite, Boeing, Motorola and the U.S. government, as subsequently amended in September 2010, giving the U.S. government the right to, in its sole discretion, require us to de-orbit our constellation in the event of (a) Iridium Satellite's failure to maintain certain insurance and pay certain insurance premiums; (b) Iridium Satellite's bankruptcy; (c) Iridium Satellite's sale or the sale of any major asset in our satellite system; (d) Boeing's replacement as the operator of our satellite system; (e) Iridium Satellite's failure to provide certain notices as contemplated by the Indemnification Agreement; or (f) at any time after January 1, 2015. Prior to the September 2010 amendment of the Indemnification Agreement, the U.S. government had the right to require us to de-orbit our constellation at any time after June 5, 2009. Pursuant to the September 2010 amendment, the U.S. government may withdraw its agreement to postpone the exercise of its de-orbit right (i) on or after January 1, 2015; (ii) if Iridium Satellite violates any terms of the Indemnification Agreement or fails to comply with any terms of the September 2010 amendment; (iii) if more than four satellites have insufficient fuel to execute a 12-month de-orbit; (iv) Iridium Satellite's failure to comply with the de-boost plans; (v) a finding by the FCC, not remedied by Iridium Satellite in the time set forth by the FCC, that Iridium Satellite has failed to comply with the terms of the Iridium Orbital Debris Mitigation Plan filed with the FCC and then in effect; (vi) the cancellation, non-renewal or refusal to provide any insurance required by the Indemnification Agreement; and (vii) the termination or completion of the current or any successor agreement between Iridium Satellite and DoD pursuant to which Iridium Satellite provides mobile satellite services to DoD. The U.S. government also has the right to require us to de-orbit any of our individual functioning satellites, including in-orbit spares, that have been in orbit for more than seven years, unless the U.S. government grants a postponement. All of our functioning satellites have been in orbit for more than seven years.

Motorola also has the right to require us to de-orbit our constellation pursuant to the TSA and pursuant to the amended and restated operations and maintenance agreement, or O&M Agreement, between Iridium Constellation and Boeing. Under these agreements, Motorola may require the de-orbit of our constellation upon the occurrence of any of the following: (a) the bankruptcy of the Company, Iridium Holdings, Iridium Constellation or Iridium Satellite; (b) Iridium Satellite's breach of the TSA; (c) Boeing's breach of the O&M Agreement or a related agreement between Boeing and Motorola; (d) an order from the U.S. government requiring the de-orbiting of our satellites; (e) Motorola's determination that changes in law or regulation may require it to incur specified costs relating to the operation, maintenance, re-orbiting or de-orbiting of our constellation; or (f) our failure to obtain, on commercially reasonable terms, product liability insurance to cover Motorola's position as manufacturer of the satellites, provided the U.S. government has not agreed to cover what would have otherwise been paid by such policy.

Pursuant to the O&M Agreement, Boeing similarly has the unilateral right to de-orbit our constellation upon the occurrence of any of the following events: (a) Iridium Constellation's failure to pay Boeing in accordance with the terms of the O&M Agreement; (b) Iridium Constellation's or Iridium Satellite's bankruptcy; (c) Iridium Constellation's failure to maintain certain insurance policies; (d) a default by Iridium Constellation under the O&M Agreement; or (e) changes in law or regulation that may increase the risks or costs associated with the operation or de-orbit process or the cost of operation or de-orbit of the constellation.

We cannot guarantee that the U.S. government, Motorola or Boeing will not unilaterally exercise their de-orbiting rights upon the occurrence of any of the above events. A decision by any of the U.S. government, Motorola or Boeing to de-orbit our constellation would eliminate our ability to provide mobile satellite communications services.

### ***Wireless devices' radio frequency emissions are the subject of regulation and litigation concerning their environmental effects, which includes alleged health and safety risks. As a result, we may be subject to new regulations, demand for our services may decrease and we could face liability based on alleged health risks.***

There has been adverse publicity concerning alleged health risks associated with radio frequency transmissions from portable hand-held telephones that have transmitting antennae. Lawsuits have been filed against participants in the wireless industry alleging various adverse health consequences, including cancer, as a result of wireless phone usage. Other claims allege consumer harm from alleged failures to disclose certain information about radiofrequency emissions, or aspects of the regulatory regime governing those emissions. Although we have not been party to any such lawsuits, we may be exposed to such litigation in the future. While we comply with applicable standards for radio frequency emissions and power and do not believe that there is valid scientific evidence that use of our phones poses a health risk, courts or governmental agencies could find otherwise. Any such finding could reduce our revenues and profitability and expose us and other wireless providers to litigation, which, even if frivolous or unsuccessful, could be costly to defend.

If consumers' health concerns over radio frequency emissions increase, they may be discouraged from using wireless handsets. Further, government authorities might increase regulation of wireless handsets as a result of these health concerns. Any actual or perceived risk from radio frequency emissions could reduce the number of our subscribers and demand for our products and services.

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***Our business is subject to extensive government regulation, which mandates how we may operate our business and may increase our cost of providing services, slow our expansion into new markets and subject our services to additional competitive pressures or regulatory requirements.***

Our ownership and operation of a satellite communication system is subject to significant regulation in the United States by the FCC and in foreign jurisdictions by similar local authorities. The rules and regulations of the FCC or these foreign authorities may change and such authorities may adopt regulations that limit or restrict our operations as presently conducted or as we plan to conduct such operations. Such authorities may also make changes in the licenses of our competitors that impact our spectrum. Failure to provide services in accordance with the terms of our licenses or failure to operate our satellites or ground stations as required by our licenses and applicable laws and government regulations could result in the imposition of government sanctions on us, including the suspension or cancellation of our licenses.

We and our affiliates must pay FCC application processing and annual regulatory fees in connection with our licenses. One of our subsidiaries, Iridium Carrier Services LLC, holds a common carrier radio license and is thus subject to regulation as a common carrier, including limitations and prior approval requirements with respect to direct or indirect foreign ownership. This subsidiary currently qualifies for exemptions from certain common carrier regulations, such as being required to file certain reports or pay certain fees. A change in the manner in which we provide service or a failure to comply with common carrier regulations or pay required fees can result in sanctions including fines, loss of authorizations, or the denial of applications for new authorizations or the renewal of existing authorizations.

Our system must be authorized in each of the markets in which we provide services. We may not be able to obtain or retain all regulatory approvals needed for our operations. Regulatory changes, such as those resulting from judicial decisions or adoption of treaties, legislation or regulation in countries where we currently offer products and services or intend to offer products and services, including the United States, may also significantly affect our business. Because regulations in each country are different, we may not be aware if some of our distribution partners and/or persons with which we or they do business do not hold the requisite licenses and approvals.

We are required to obtain homologation certifications from the national and local authorities in the countries in which we operate in connection with the products that we currently sell or may wish to sell in the future. Failure to obtain such homologation certifications or other industry standard certifications could compromise our ability to generate revenue and conduct our business.

Our current regulatory approvals could now be, or could become, insufficient in the view of domestic or foreign regulatory authorities, any additional necessary approvals may not be granted on a timely basis, or at all, in jurisdictions in which we currently plan to offer products and services, and applicable restrictions in those jurisdictions could become unduly burdensome.

Our operations are subject to regulations of the U.S. State Department's Office of Defense Trade Controls relating to the export of satellites and related technical data, the U.S. Treasury Department's Office of Foreign Assets Control relating to transactions involving entities sanctioned by the United States, and the U.S. Commerce Department's Bureau of Industry and Security relating to our handsets. We are also required to provide certain U.S. and foreign government law enforcement and security agencies with call interception services, and related government assistance, in respect of which we face legal obligations and restrictions in various jurisdictions. Given our global operations and unique network architecture, these requirements and restrictions are not always easy to harmonize. We have discussed and continue to discuss with authorities in various countries the procedures used to satisfy our obligations, and have had to, and may in the future need to, obtain amendments or waivers to licenses or obligations in various countries. Countries are not obligated to grant requested amendments or waivers, and there can be no assurance that relevant authorities will not suspend or revoke our licenses or take other legal actions to attempt to enforce the requirements of their respective jurisdictions.

These U.S. and foreign obligations and regulations may limit or delay our ability to offer products and services in a particular country. As new laws and regulations are issued, we may be required to modify our business plans or operations. If we fail to comply with these regulations in the United States or any other country, we could be subject to sanctions that could make it difficult or impossible to operate in the United States or such other country. In addition, changing and conflicting national and local regulatory requirements may cause us to be in compliance with local requirements in one country, while not being in compliance with the laws and regulations of another. Any imposition of sanctions, losses of licenses and failure to obtain the authorizations necessary to use our assigned radio frequency spectrum and to distribute our products in certain countries could cause us to lose sales, hurt our reputation and impair our ability to pursue our business plan.

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### ***If the FCC revokes, modifies or fails to renew or amend our licenses our ability to operate will be harmed or eliminated.***

FCC licenses we hold, specifically a license for the satellite constellation, licenses for our U.S. gateway and other ground facilities and blanket earth station licenses for U.S. government customers and commercial subscribers, are subject to revocation if we fail to satisfy specified conditions or to meet prescribed milestones. The FCC licenses are also subject to modification by the FCC. While our FCC satellite constellation license is valid until 2013, we applied in October 2010 for a license renewal in the time frame specified by the FCC's rules. Under the FCC's rules we may continue to operate our satellite constellation beyond 2013 pending FCC action on our timely filed renewal application. The U.S. gateway earth station licenses expire between 2011 and 2022, and the U.S. government customer and commercial subscribers' earth station licenses will expire in 2021. We must file renewal applications for earth station licenses between 30 and 90 days prior to expiration. There can be no assurance that the FCC will renew the FCC licenses we hold. If the FCC revokes, modifies or fails to renew or amend the FCC licenses we hold, or if we fail to satisfy any of the conditions of our respective FCC licenses, we may not be able to continue to provide mobile satellite communications services.

### ***Pursuing strategic transactions may cause us to incur additional risks.***

We may pursue acquisitions, joint ventures or other strategic transactions, although no such transactions that would be financially significant to us are probable at this time. We may face costs and risks arising from any such transactions, including integrating a new business into our business or managing a joint venture. These risks may include adverse legal, organizational and financial consequences, loss of key customers and distributors and diversion of management's time.

In addition any major business combination or similar strategic transaction would require approval under our credit facility and may require significant external financing. Depending on market conditions, investor perceptions of our company and other factors, we might not be able to obtain approvals under our credit facility or capital on acceptable terms, in acceptable amounts or at appropriate times to implement any such transaction. Any such financing, if obtained, may further dilute existing stockholders.

### ***Spectrum values historically have been volatile, which could cause our value to fluctuate.***

Our business plan is evolving and it may in the future include forming strategic partnerships to maximize value for our spectrum, network assets and combined service offerings in the United States and internationally. Values that we may be able to realize from such partnerships will depend in part on the value ascribed to our spectrum. Valuations of spectrum in other frequency bands historically have been volatile, and we cannot predict at what amount a future partner may be willing to value our spectrum and other assets. In addition, to the extent that the FCC takes action that makes additional spectrum available or promotes the more flexible use or greater availability of existing satellite or terrestrial spectrum allocations, for example by means of spectrum leasing or new spectrum sales, the availability of such additional spectrum could reduce the value of our spectrum authorizations and the value of our business.

### ***Our ability to operate our company effectively could be impaired if we lose members of our senior management team or key technical personnel.***

We depend on the continued service of key managerial and technical personnel and personnel with security clearances, as well as our ability to continue to attract and retain highly qualified personnel. We compete for such personnel with other companies, government entities, academic institutions and other organizations. The unexpected loss or interruption of the services of such personnel could compromise our ability to effectively manage our operations, execute our business plan and meet our strategic objectives.

### ***If any of the sellers of Iridium Holdings have breached any of their representations, warranties or covenants set forth in the agreement relating to the Acquisition, our remedies for losses may be limited and we may be limited in our ability to collect for such losses.***

Each seller agreed to indemnify us for breaches of its individual representations, warranties and covenants, subject to specified limitations, including that each seller's maximum liability for all indemnification claims against it will not exceed the sum of (i) the cash consideration received by such seller and (ii) the product of the number of shares of our common stock received by such seller and \$10.00. Except for the pledge arrangements we have entered into with the sellers of the blocker holding companies described below, there are no escrow or other similar arrangements with any of the sellers and, in the event we suffer losses from a breach of a seller's representations, warranties or covenants, there can be no assurances that such seller will have the cash consideration or shares of our common stock received by such seller, or other available assets, to compensate us for our losses. Any losses realized in connection with the breach of any representation, warranty or covenant by any seller may have a material adverse effect on our financial condition and results of operations.

Some of the sellers in the Acquisition held their interests in Iridium Holdings through two "blocker" corporations, known as Baralonco N.V., or Baralonco, and Syncom-Iridium Holdings Corp., or Syncom, and in those circumstances we purchased ownership of those blocker corporations instead of directly purchasing the Iridium Holdings units they held. These blocker corporations are now our wholly owned subsidiaries. Each of the sellers of Baralonco and Syncom



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agreed to indemnify us for the pre-closing tax liabilities of their respective blocker corporation, subject to specified limitations. The maximum liability for the seller of Syncom cannot exceed \$3.0 million and the maximum liability for the seller of Baralonco cannot exceed \$15.0 million. In support of their respective tax indemnity obligations, the seller of Syncom pledged 300,000 shares of our common stock it received in the Acquisition for a period of nine months after the closing and the seller of Baralonco pledged 1.5 million shares of our common stock it received in the Acquisition for a period of two years after the closing. The 300,000 shares pledged by Syncom have since been released from the pledge. The value of the remaining pledged shares, and the amount of the sellers' respective maximum liability, may not fully cover all pre-closing tax liabilities of Baralonco and Syncom, in which case we would be liable for any excess liability.

### ***The market price of our common stock may be volatile.***

The trading price of our common stock may be subject to substantial fluctuations. Factors affecting the trading price of our common stock may include:

- failure in the performance of our current or future satellites or a delay in the launch of Iridium NEXT;
- failure to comply with the terms of the credit facility;
- failure to maintain our ability to make draws under our credit facility;
- actual or anticipated variations in our operating results, including termination or expiration of one or more of our key contracts, or a change in sales levels under one or more of our key contracts;
- stockholders with registration rights exercising such registration rights and selling a large number of shares of our common stock;
- dilutive impact of outstanding warrants and stock options;
- changes in financial estimates by industry analysts, or any failure by us to meet or exceed any such estimates, or changes in the recommendations of any industry analysts that elect to follow our common stock or the common stock of our competitors;
- actual or anticipated changes in economic, political or market conditions, such as recessions or international currency fluctuations;
- actual or anticipated changes in the regulatory environment affecting our industry;
- changes in the market valuations of our competitors; and
- announcements by our competitors regarding significant new products or services or significant acquisitions, strategic partnerships, divestitures, joint ventures or other strategic initiatives.

The trading price of our common stock might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. If the market for stocks in our industry, or the stock market in general, experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, financial condition or results of operations. In addition, the trading volume for our common stock historically has been low. Sales of significant amounts of shares of our common stock in the public market could lower the market price of our stock.

### ***We do not expect to pay dividends on our common stock in the foreseeable future.***

We do not currently pay cash dividends on our common stock and, because we currently intend to retain all cash we generate to fund the growth of our business and our credit facility restricts the payment of dividends, we do not expect to pay dividends on our common stock in the foreseeable future.

### ***We rely on a limited number of key vendors for timely supply of equipment and services.***

Celestica is the manufacturer of all of our current devices, including our mobile handsets, L-Band transceivers and short burst data modems. Celestica may choose to terminate its business relationship with us when its current contractual obligations are completed on January 1, 2011, or at such earlier time as contemplated by our current agreement with Celestica. If Celestica terminates this relationship, we may not be able to find a replacement supplier. In addition, as our sole supplier, we are very dependent on Celestica's performance. If our key vendors, including Celestica, have difficulty manufacturing or obtaining the necessary parts or material to manufacture our products, we could lose sales. In addition, we utilize other sole source suppliers for certain component parts of our devices. If such suppliers terminated their relationships with us or were otherwise unable to manufacture our component parts, these vendors would be unable to manufacture our products. Due to the recent global economic crisis, manufacturers and suppliers have been forced to implement cost-saving measures, including reductions in force and reductions in inventory. Consequently, such key manufacturers and suppliers may become capacity constrained, resulting in a shortage or interruption in supplies or an inability to meet increased demand. In addition, our manufacturers and suppliers could themselves experience a shortage of the parts or



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components that they use to manufacture equipment for us. If these manufacturers or suppliers fail to provide equipment or service to us on a timely basis or fail to meet our performance expectations, we may be unable to provide products or services to our customers in a competitive manner, which could in turn negatively impact our financial results. Although we may replace Celestica or other sole source suppliers with another supplier, there could be a substantial period of time in which our products are not available and any new relationship may involve higher costs and delays in development and delivery, and we may encounter technical challenges in successfully replicating the manufacturing processes.

In addition, we depend on Boeing to provide operations and maintenance services with respect to our satellite network, including engineering, systems analysis and operations and maintenance services, from our technical support center in Chandler, Arizona and our satellite network operations center in Leesburg, Virginia. Boeing provides these services pursuant to an amended and restated operations and maintenance agreement, whose term is concurrent with the expected useful life of our current constellation. Technological competence is critical to our business and depends, to a significant degree, on the work of technically skilled employees, such as our Boeing contractors. If Boeing's performance falls below expected levels or if Boeing has difficulties retaining the employees or contractors servicing our network, the operations of our satellite network could be compromised. In addition, if Boeing terminates its agreement with us, we may not be able to find a replacement provider on favorable terms or at all, which could impair the operations and performance of our network. Replacing Boeing as the operator of our satellite system could also trigger de-orbit rights held by the U.S. government, which, if exercised, would eliminate our ability to offer satellite communications services altogether.

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

Not applicable.

### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

Not applicable.

### **ITEM 4. [REMOVED AND RESERVED.]**

### **ITEM 5. OTHER INFORMATION.**

Not applicable.

### **ITEM 6. EXHIBITS**

See the exhibit index.

**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**

Date: November 9, 2010

**EXHIBIT INDEX**

<b><u>Exhibit</u></b>	<b><u>Description</u></b>
2.1	Transaction Agreement dated September 22, 2008, incorporated herein by reference to Exhibit 1.1 of the Registrant's Current Report on Form 8-K, filed with the SEC on September 25, 2008.
2.2	Amendment to Transaction Agreement dated April 28, 2009, incorporated herein by reference to Exhibit 1.1 of the Registrant's Current Report on Form 8-K, filed with the SEC on April 28, 2009.
3.1	Amended and Restated Certificate of Incorporation dated September 29, 2009, incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed with the SEC September 29, 2009.
3.2	Amended and Restated Bylaws, incorporated herein by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on September 29, 2009.
4.1	Specimen Common Stock Certificate, incorporated herein by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-1 (Registration No. 333-147722), filed with the SEC on February 4, 2008.
4.2	Amended and Restated Warrant Agreement between the Registrant and American Stock Transfer & Trust Company, incorporated herein by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K, filed with the SEC on February 26, 2008.
4.3	Specimen Warrant Certificate for \$7.00 Warrants, incorporated herein by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form S-1 (Registration No. 333-147722), filed with the SEC on February 4, 2008.
4.4	Warrant Agreement for \$11.50 Warrants between the Registrant and American Stock Transfer & Trust Company, incorporated herein by reference to Exhibit 4.4 to the Registrant's Current Report on Form 8-K, filed with the SEC on September 29, 2009.
4.5	Specimen Warrant Certificate for \$11.50 Warrants, incorporated herein by reference to Exhibit 4.5 to the Registrant's Current Report on Form 8-K, filed with the SEC on September 29, 2009.
10.1*	Amendment No. 1 to the Authorization to Proceed between Iridium Satellite LLC and Thales Alenia Space France for the Iridium NEXT System, dated August 6, 2010.
10.2*	Full Scale System Development Contract No. IS-10-021 between Iridium Satellite LLC and Thales Alenia Space France for the Iridium NEXT System, dated June 1, 2010, incorporated by reference to Annex 1 to Exhibit 10.1 to the Form 10-Q/A filed with the Securities and Exchange Commission on October 29, 2010.
10.3*	Amendment No. 1 to the Full Scale System Development Contract No. IS-10-021 between Iridium Satellite LLC and Thales Alenia Space France for the Iridium NEXT System, dated August 6, 2010.
10.4*	Amendment No. 2 to the Full Scale System Development Contract No. IS-10-021 between Iridium Satellite LLC and Thales Alenia Space France for the Iridium NEXT System, dated September 30, 2010.
10.5*	Contract for Launch Services No. IS-10-008 between Iridium Satellite LLC and Space Exploration Technologies Corp, dated March 19, 2010.
10.6*	Amendment No. 1 to the Contract for Launch Services No. IS-10-008 between Iridium Satellite LLC and Space Exploration Technologies Corp, dated September 17, 2010.
10.7*	Terms and Conditions for De-Orbit Postponement Modification for Contract DCA100-01-C-3001, by and between Iridium Satellite LLC, The Boeing Company and the United States Government, dated September 7, 2010.
10.8*	Amended and Restated Contract, Boeing No. BSC-2000-001, between Iridium Constellation LLC and The Boeing Company, for Transition, Operations and Maintenance, Engineering Services, and Re-Orbit of the Iridium Communications System, dated as of May 28, 2010.
10.9*	Iridium NEXT Support Services Agreement No. IS-10-019, by and between Iridium Satellite LLC and The Boeing Company for Support Services for Iridium NEXT, dated as of May 28, 2010. Oxley Act of 2002.
10.10	Employment Agreement, dated as of September 18, 2010, by and between the Registrant and Matthew J. Desch, incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on September 22, 2010.
31.1	Certification of Chief Executive Officer pursuant to section 302 of The Sarbanes-Oxley Act of 2002.

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<u>Exhibit</u>	<u>Description</u>
31.2	Certification of Chief Financial Officer pursuant to section 302 of The Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to section 906 of The Sarbanes-Oxley Act of 2002.
* Confidential treatment has been requested with respect to certain portions of this exhibit. A complete copy of the agreement, including the redacted portions, has been filed separately with the SEC.	

**AMENDMENT NO. 1**  
**TO THE**  
**AUTHORIZATION TO PROCEED**  
**Between**  
**IRIDIUM SATELLITE LLC**  
**And**  
**THALES ALENIA SPACE FRANCE**  
**for the**  
**IRIDIUM NEXT SYSTEM**

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE  
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REQUEST. OMISSIONS ARE DESIGNATED [\*\*\*. .\*\*\*]. A COMPLETE VERSION OF THIS EXHIBIT  
HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

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## PREAMBLE

This Amendment No. 1 (the “Amendment”) to the Authorization to Proceed for the IRIDIUM NEXT SYSTEM signed on June 1, 2010 between Iridium Satellite LLC and Thales Alenia Space France for the Iridium Next System (the “**ATP**”) is entered into on this 6<sup>th</sup> day of August, 2010 by and between Thales Alenia Space France, a company organized and existing under the laws of France, having its registered office at 26 avenue Jean François Champollion 31100 Toulouse – FRANCE (“**Contractor**”), and Iridium Satellite LLC, a limited liability company organized under the laws of Delaware, having an office at 1750 Tysons Boulevard, Suite 1400, McLean, VA 22102—USA (“**Purchaser**”).

## RECITALS

**WHEREAS**, Purchaser and Contractor have entered on the date hereof into an Amendment No. 1 to the Full Scale Development Contract (the “Amendment No. 1 attached hereto as Annex 1) and have engaged in discussions relating to changes they would like to incorporate in relation with the Recitals and Articles 3 and 4 of the ATP; and;

**WHEREAS**, the Parties now desire to amend the Recitals and Articles 3 and 4 of the ATP in accordance with the terms and conditions provided for in this Amendment;

**NOW, THEREFORE**, in consideration of the payments to be made by Purchaser to Contractor under the ATP, and other valuable consideration and the mutual covenants and agreements contained in the Contract and ATP, and Intending to be legally bound, the Parties hereby agree as follows:

**Article 1**: Capitalized terms used but not defined in this Amendment shall have the meanings ascribed thereto in the Contract, the ATP or any amendments thereto, as the case may be.

**Article 2**: The final WHEREAS clause in the ATP is hereby deleted in its entirety and replaced with the following:

“WHEREAS, pending Financial Close (as such term is defined in the Contract), Purchaser desires immediate initiation of NEXT System work to be performed under the Contract to reduce schedule risk, and Purchaser and Contractor desire to implement the Options (as defined herein):”

**Article 3**: Article 3 of the ATP “ATP Effectively & Schedule”, is hereby deleted in its entirety and replaced with the following:

“This ATP shall become effective (the date of effectiveness being the “EDATP”) following: (i) its execution by the Parties; and (ii) receipt by Contractor of the EDATP payment provided for in Article 4. Unless terminated earlier pursuant to Article 6.3, this ATP shall remain in force until the earlier to occur of: (i) Financial Close; and (ii) six (6) months following EDATP (the “ATP Effective Period”).”

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**Article 4 :** The first table in Article 4.1 addressing Milestone Numbers 1-3 is revised to incorporate a new Milestone Number 3a as reflected below:

ATP Milestone Number	Amount (in U.S. Dollar and Euro Portions)	Anticipated ATP Milestone Completion Date
1	***. . .***]	***. . .***]
2	***. . .***]	***. . .***]
3	***. . .***]	***. . .***]
4	***. . .***]	***. . .***]

**Article 5 :** A new Article 4.1(a) called [\*\*\*. . .\*\*\*] is to be incorporated at the end of Article 4.1 and before Article 4.2 as follows:

“4.1(a) [\*\*\*. . .\*\*\*]

*A. Purchase of [\*\*\*. . .\*\*\*]*

Purchaser and Contractor have agreed that Contractor, for good and valuable consideration, shall enter into [\*\*\*. . .\*\*\*].

[\*\*\*. . .\*\*\*], representing the [\*\*\*. . .\*\*\*] remaining due under the ATP and Contract as of the date hereof after deducting the aggregate amount of the [\*\*\*. . .\*\*\*] already made by Purchaser under the ATP (such amount, the [\*\*\*. . .\*\*\*]). Unless otherwise specified in a Purchaser Notice, Contractor will [\*\*\*. . .\*\*\*].

Following receipt by Contractor or: [\*\*\*. . .\*\*\*].

If for any reason the [\*\*\*. . .\*\*\*].

*B. [\*\*\*. . .\*\*\*]*

Purchaser shall pay to Contractor a fee for [\*\*\*. . .\*\*\*].

*C. Application of [\*\*\*. . .\*\*\*]*

If [\*\*\*. . .\*\*\*] does not occur as of [\*\*\*. . .\*\*\*].

**Article 6 :** Article 4.2 of the ATP, “Payment Relating to Licensed Technology”, is hereby deleted in its entirety and replaced with the following:

“Unless notified otherwise in writing by Purchaser prior to [\*\*\*. . .\*\*\*], Purchaser shall extend its rights to the Licensed Technology for the period commencing on [\*\*\*. . .\*\*\*] through [\*\*\*. . .\*\*\*] by issuing a written notice and paying to Contractor [\*\*\*. . .\*\*\*] United States Dollars (\$[\*\*\*. . .\*\*\*]) on or before [\*\*\*. . .\*\*\*].”

**Article 7 :** All other provisions of the ATP not expressly referred to in this Amendment remain in full force and effect.

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**IN WITNESS WHEREOF** , the Parties have executed this Amendment by their duly authorized officers as of the date set forth in the Preamble.

**IRIDIUM SATELLITE LLC**

**THALES ALENIA SPACE FRANCE**

/s/ Thomas J. Fitzpatrick

Thomas J. Fitzpatrick

/s/ Olivier Janin

Olivier Janin

CFO

VP Trade Finance

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**AMENDMENT NO. 1**  
**TO THE**  
**FULL SCALE SYSTEM DEVELOPMENT CONTRACT**  
**No. IS-10-021**  
**Between**  
**IRIDIUM SATELLITE LLC**  
**And**  
**THALES ALENIA SPACE FRANCE**  
**for the**  
**IRIDIUM NEXT SYSTEM**

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REQUEST. OMISSIONS ARE DESIGNATED [\*\*\*. . \*\*\*]. A COMPLETE VERSION OF THIS EXHIBIT  
HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

## PREAMBLE

This Amendment No. 1 (the “Amendment”) to the Full Scale System Development Contract No. IS-10-021 signed on June 1, 2010 between Iridium Satellite LLC and Thales Alenia Space France for the Iridium Next System (the “**Contract**”) is entered into on this 6<sup>th</sup> day of August, 2010 by and between Thales Alenia Space France, a company organized and existing under the laws of France, having its registered office at 26 avenue Jean François Champollion 31100 Toulouse—FRANCE (“**Contractor**”), and Iridium Satellite LLC, a limited liability company organized under the laws of Delaware, having an office at 1750 Tysons Boulevard, Suite 1400, McLean, VA 22102—USA (“**Purchaser**”).

## RECITALS

**WHEREAS**, Purchaser and Contractor have entered on the date hereof into an Amendment No. 1 to the ATP relating to the purchase by Contractor of [\*\*\*...\*\*\*] relating to the [\*\*\*...\*\*\*] firm fixed price of the Work to be performed under the ATP and Contract;

**WHEREAS**, Purchaser and Contractor have engaged in discussions relating to changes they would like to incorporate in the Contract to implement the [\*\*\*...\*\*\*] in relation to Articles 1 and 4 of the Contract; and

**WHEREAS**, the Parties now desire to amend Articles 1 and 4 of the Contract in accordance with the terms and conditions provided for in this Amendment;

**NOW, THEREFORE**, in consideration of the payments to be made by Purchaser to Contractor under the Contract and ATP, and other valid consideration and the mutual covenants and agreements contained in the Contract and ATP, this Amendment, and intending to be legally bound, the Parties agree as follows:

**Article 1**: Capitalized terms used but not defined in this Amendment shall have the meanings ascribed thereto in the Contract, the ATP or any amendments thereto, as the case may be.

**Article 2**: The definition of [\*\*\*...\*\*\*] in Article 1.106 of the Contract is hereby deleted and replaced in its entirety by the following: [\*\*\*...\*\*\*]

**Article 3**: A new definition for [\*\*\*...\*\*\*] is added immediately following the definition of [\*\*\*...\*\*\*] in Article 1.106 of the Contract, with the rest of the definitions in Article 1 of the Contract accordingly re-numbered”

[\*\*\*...\*\*\*] means: (i) [\*\*\*...\*\*\*] and (ii) [\*\*\*...\*\*\*].

**Article 4**: Article 4.1 of the Contract “Base Contract Price” is hereby deleted and replaced in its entirety by the following:

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“ **4.1** Base Contract Price Prior to [\*\*\*...\*\*\*], the total price for the Work to be performed under this Contract shall include firm fixed price Euro and U.S. Dollar portions as follows:

Firm fixed price Euro portion:	€1,056,432,400
--------------------------------	----------------

Firm fixed price U.S. Dollar portion:	\$ 863,189,121
---------------------------------------	----------------

The firm fixed price U.S. Dollar portion includes an [\*\*\*...\*\*\*] for [\*\*\*...\*\*\*]. Such [\*\*\*...\*\*\*] includes a fixed price component of [\*\*\*...\*\*\*] and a time and materials portion expected to be [\*\*\*...\*\*\*]. If the price for this [\*\*\*...\*\*\*] is less or more than [\*\*\*...\*\*\*], the firm fixed price U.S. Dollar portion under this Contract shall be [\*\*\*...\*\*\*]. Contractor agrees and acknowledges that it shall endeavour on a reasonable efforts basis to [\*\*\*...\*\*\*], including the fixed price and time and materials portions thereof. The firm fixed price U.S. Dollar portion also includes an [\*\*\*...\*\*\*] purchase price for the [\*\*\*...\*\*\*] provided for in the ATP for purposes of addressing [\*\*\*...\*\*\*] associated with the firm fixed price Euro portion. If the actual price for purchase of [\*\*\*...\*\*\*], the firm fixed price U.S. Dollar portion under this Contract shall be [\*\*\*...\*\*\*].”

**Article 5 :** Article 4.2.2(b) of the Contract [\*\*\*...\*\*\*] is hereby deleted and replaced in its entirety by the following: [\*\*\*...\*\*\*]

**Article 6 :** Exhibit D of the Contract “Payment Plan” is hereby amended to incorporate the following Milestone:

M/S N° 003A

Milestone: [\*\*\*...\*\*\*]

Months after EDC: EDC + [\*\*\*...\*\*\*]

Planned date: [\*\*\*...\*\*\*]

USD\$: [\*\*\*...\*\*\*]

**Article 7 :** All other provisions of the Contract not expressly referred to in this Amendment remain in full force and effect.

**IN WITNESS WHEREOF** , the Parties have executed this Amendment by their duly authorized officers as of the date set forth in the Preamble.

**IRIDIUM SATELLITE LLC**

**THALES ALENIA SPACE FRANCE**

/s/ Thomas J. Fitzpatrick

/s/ Olivier Janin

Thomas J. Fitzpatrick

Olivier Janin

CFO

VP Trade Finance

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**AMENDMENT NO. 2**  
**TO THE**  
**FULL SCALE SYSTEM DEVELOPMENT CONTRACT**  
**No. IS-10-021**  
**Between**  
**IRIDIUM SATELLITE LLC**  
**And**  
**THALES ALENIA SPACE FRANCE**  
**for the**  
**IRIDIUM NEXT SYSTEM**

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## PREAMBLE

This Amendment No. 2 (the “Amendment”) to the Full Scale System Development Contract No. IS-10-021 signed on June 1, 2010 between Iridium Satellite LLC and Thales Alenia Space France for the Iridium Next System, as amended, (the “ **Contract**” ) is entered into on this 30<sup>th</sup> day of September, 2010 by and between Thales Alenia Space France, a company organized and existing under the laws of France, having its registered office at 26 avenue Jean François Champollion 31100 Toulouse—FRANCE (“ **Contractor** ”), and Iridium Satellite LLC, a limited liability company organized under the laws of Delaware, having an office at 1750 Tysons Boulevard, Suite 1400, McLean, VA 22102—USA (“ **Purchaser**” ).

## RECITALS

**WHEREAS** , Purchaser and Contractor have engaged in discussions relating to changes the Parties would like to incorporate in the Contract to modify the payment terms;

**WHEREAS** , the Parties now desire to amend Articles 5 of the Contract in accordance with the terms and conditions as specified herein;

**NOW, THEREFORE** , in consideration of the premises and for good and valuable consideration, the receipt and adequacy of which are hereby expressly acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

**Article 1** : Capitalized terms used but not defined in this Amendment shall have the meanings ascribed thereto in the Contract, the ATP or any amendments thereto, as the case may be.

**Article 2** : Article 5.1 of the Contract is hereby amended by inserting new Articles 5.1.3 and 5.1.4, which shall read as follows:

“5.1.3 Invoicing Periods . Invoices hereunder shall be submitted by Contractor to Purchaser for payment [\*\*\* ...\*\*\*];

5.1.4 [\*\*\*...\*\*\*]. Contractor shall [\*\*\*...\*\*\*];

**Article 3** : This Amendment may be executed and delivered (including via facsimile or other electronic means) in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

**Article 4** : All other provisions of the Contract not expressly referred to in this Amendment remain in full force and effect.

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE  
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**IN WITNESS WHEREOF** , the Parties have executed this Amendment by their duly authorized officers as of the date set forth in the Preamble.

**IRIDIUM SATELLITE LLC**

**THALES ALENIA SPACE FRANCE**

/s/ John S. Brunette  
\_\_\_\_\_  
John S. Brunette

/s/ Nathalie Smirnov  
\_\_\_\_\_  
Nathalie Smirnov

Chief Legal & Administrative  
Officer

Vice President Payloads and Systems

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE  
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**CONTRACT FOR LAUNCH SERVICES**

**No. IS-10-008**

**Between**

**Iridium Satellite LLC**

**and**

**Space Exploration Technologies Corp.**

**The attached Contract and information contained therein is confidential and proprietary to Iridium Satellite LLC , its Affiliates and Space Exploration Technologies Corp. and shall not be published or disclosed to any third party except as permitted by the terms and conditions of this Contract.**

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## CONTRACT FOR LAUNCH SERVICES

This CONTRACT FOR LAUNCH SERVICES (hereinafter “this Contract”) is made and entered into as of the 19<sup>th</sup> Day of March, 2010, by and between **Iridium Satellite LLC**, a limited liability company organized and existing under the laws of Delaware, having its office at 6707 Democracy Boulevard, Suite 300, Bethesda, MA 20817 (“Customer”) and **Space Exploration Technologies Corp.**, a Delaware corporation, having its office at 1 Rocket Road, Hawthorne, CA 90250 (“Contractor”).

### Article 1 DEFINITIONS

1.1 Capitalized terms used and not otherwise defined herein shall have the following meanings:

Additional Launch(es) shall have the meaning set forth in Section 2.1.

Adjustment Fee shall have the meaning set forth in Section 6.1.2.

Affiliate means, with respect to an entity, any other entity, directly or indirectly, Controlling or Controlled by or under common Control with such first entity.

Analogous Mission shall have the meaning set forth in Section 3.4.

AS-9100 means the American Society of Engineers’ aerospace (AS) 9100 quality management systems standards.

Associate Contractor(s) means the contractor(s) designated by Customer from time-to-time associated with the development, delivery, operation and maintenance of the Satellites.

Bank Holiday means any Day on which United States national banks located in Washington, D.C. are authorized to be closed.

Base Price means the price contracted for by a Third Party customer of Contractor for single standard launch service, excluding any customer-specific requirements or options.

Business Day means any Day other than Saturday, Sunday or a Bank Holiday.

Constructive Total Loss for purposes of Customer’s policy of Launch and In-Orbit Insurance only (and not for any other purpose hereunder), shall have the meaning assigned to such term in Customer’s policy of Launch and In-Orbit Insurance, if any, in place at the time of a Launch.

Contract Price shall have the meaning set forth in Section 3.2.

Contractor IP means Intellectual Property, and all Intellectual Property Rights therein, owned or Controlled by Contractor or developed by Contractor inside or outside the scope of this Contract, together with any derivatives, improvements or modifications made by Contractor, Customer or any Related Third Parties to the foregoing.

Customer IP means Intellectual Property, and all Intellectual Property Rights therein, owned or Controlled by Customer or developed by Customer inside or outside the scope of this Contract and provided to Contractor pursuant to this Contract (before or after EDC), and any derivatives, improvements or modifications made by Customer, Contractor or any other Related Third Parties to the foregoing.

CSLA shall have the meaning set forth in Section 14.4.

Contractor Interest Rate means LIBOR plus [\*\*\*...\*\*\*] percent ([\*\*\*...\*\*\*]%).

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Control and its derivatives mean, with respect to an entity: (i) the legal, beneficial, or equitable ownership, directly or indirectly, of fifty percent (50%) or more of the capital stock (or other ownership interest if not a corporation) of such entity ordinarily having voting rights; or (ii) the power to direct, directly or indirectly, the management policies of such entity, whether through the ownership of voting stock, by contract, or otherwise.

Day means a calendar day unless otherwise indicated.

Disclosing Party shall have the meaning set forth in Section 19.2.

Dispenser(s) shall mean the hardware to be integrated with and forming part of the Launch Vehicle (including all embedded firmware and software and related Intellectual Property) to interface with, separate and deploy the Satellites into their designated orbit(s), as specified in the SOW.

Dispute shall have the meaning set forth in Article 18.

Documentation means any and all documentation to be supplied by Contractor to Customer pursuant to this Contract.

DO/DX Launch means a launch designated by the U.S. Government as a DO or DX rated order in accordance with the U.S. Department of Defense Priorities and Allocations System or pursuant to 15 C.F.R. Part 700, where such rating order is invoked in connection with an imperative national need under the CSLA.

EDC shall have the meaning set forth in Section 23.1.

Exploit means, with regard to a Party's use of Intellectual Property, to reproduce, prepare derivative works of, modify, distribute, perform publicly, display, make, have made, use, manufacture, import, offer to sell and sell products, materials and services that embody any Intellectual Property Rights in such Intellectual Property and otherwise fully use, practice and exploit such Intellectual Property, and Intellectual Property Rights therein, or to have any third party exploit such Intellectual Property, and Intellectual Property Rights therein, on such Party's behalf or for such Party's benefit.

Failure Review Board shall have the meaning set forth in Section 11.4.

Firm Launch(es) shall have the meaning set forth in Section 2.1.

Force Majeure means acts of God, acts of government (in its sovereign and not contractual capacity), acts or threat of terrorism, riot, revolution, hijacking, fire, strike (other than a strike involving the employees of Contractor, Customer or their respective Related Third Parties), embargo, sabotage, or interruption of essential services or supplies.

Foreign Person shall be as defined in the U.S. International Traffic in Arms Regulations, 22 C.F.R. § 120.16.

FSD shall have the meaning set forth in Section 23.1(B).

Government Cross-Waiver has the meaning set forth in Section 12.1.

Gross Negligence means (i) the failure to perform a duty in reckless disregard of the consequences thereof, including injury, death or property damage of others; or (ii) other actions (or failures to act) of an aggravated nature that closely approach intentional or willful wrongdoing.

Initial Loss Reflight Option shall have the meaning set forth in Section 16.1.

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Insured Launch Activities means the activities carried out by either Party or the Related Third Parties of either Party in accordance with the terms of this Contract and, in the case of Launch Service(s) licensed under the CSLA, the launch license issued to Contractor by the Office of the Associate Administrator for Commercial Space Transportation (or any successor agency thereto) to conduct the Launch Service(s), at the Launch Site and the Satellite processing facility wherever located, including transportation of the Satellite from the Satellite processing facility to the Launch Site and, if required, transportation of the Satellite from the Launch Site to the Satellite processing facility, the use by Contractor of United States Government launch facilities at the Launch Site, activities carried out by the United States Government at the Launch Site relating to the conduct of Launch Service(s) and the Launch from the Launch Site.

Intellectual Property means all designs, works of authorship, techniques, analyses, methods, concepts, formulae, layouts, software (including Software), inventions (whether or not patented or patentable), discoveries, improvements, processes, ideas, technical data and documentation (including Documentation), technical information, engineering, manufacturing and other drawings, specifications, performances, semiconductor topographies, business names, goodwill, the style of presentation of goods and services and similar matter in which an Intellectual Property Right subsists, regardless of whether any of the foregoing has been reduced to writing or practice.

Intellectual Property Claim shall have the meaning set forth in Section 14.5.

Intellectual Property Right(s) means all common law and statutory proprietary rights with respect to Intellectual Property, including patents, patent applications, copyrights, industrial designs, trademarks and service marks (and all goodwill associated with the foregoing), database rights, design rights (whether registered or not), trade secrets, mask work rights, data rights, moral rights, and similar rights existing from time-to-time under the intellectual property laws of the United States, any state or foreign jurisdiction, or international treaty regime, regardless of whether such rights exist as of EDC or arise or are acquired at any time in the future.

Intentional Ignition means, with respect to a Launch Vehicle, the time during the launch countdown sequence when the engine ignition command signal is initiated causing ignition of the first stage engines of the Launch Vehicle.

Interest Rate shall mean the lesser of: (i) [\*\*\*...\*\*\*] percent ([\*\*\*...\*\*\*]%; (ii) [\*\*\*...\*\*\*] percent ([\*\*\*...\*\*\*]%; or (iii) the maximum interest rate permitted by applicable law, compounded annually.

KWJ means the SpaceX launch facility at Ronald Reagan Ballistic Missile Defense Test Site, United States Army Kwajalein Atoll (RTS-USAKA), including the associated installations, equipment and services used or provided by Contractor in connection with the Launch Services as provided for in the SOW.

Launch means Intentional Ignition of the Launch Vehicle followed by either: (i) Lift-Off; and/or (ii) total loss or destruction of the Launch Vehicle or any or all of the Satellites comprising a Satellite Batch. A Launch is deemed not to have occurred in the event of a Terminated Ignition. Notwithstanding anything to the contrary in this Contract, a Launch is deemed to have occurred even if there is a Launch Failure.

Launch Activities means the activities carried out by either Party or the Related Third Parties of either Party under this Contract, which include Launch Services, any Launch Vehicle-related and pre-Launch activities beginning with the arrival of a Satellite Batch at the Launch Site, integration activities, and ending with departure of all property and personnel of Customer and its Related Third Parties from the Launch Site and completion of any Post-Launch Services. Application of the Government Cross Waiver will cease no later than thirty (30) days after each Launch Service, irrespective of whether Customer property remains at the Launch Site.

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Launch and In-Orbit Insurance means insurance procured by Customer covering the risks of Launch and/or the risks of in-orbit failures with respect to Partial Loss, Constructive Total Loss and Total Loss of a Satellite or Satellite Batch.

Launch Campaign Period shall have the meaning set forth in Section 5.1.

Launch Date means the Day within the Launch Slot established for a Launch Service pursuant to this Contract. If a Launch Date for a Launch Service has not yet been designated, the first Day of the applicable Launch Slot shall be applied as the Launch Date.

Launch Failure means a Total Launch Failure or a Partial Launch Failure.

Launch Manifest means the Contractor's listing of contracted and scheduled launch services for commercial, civil and military customers, as reported from time-to-time to Customer in accordance with Section 5.5.

Launch Opportunity means the availability of a time period in which a Launch can be performed, as applicable, in the Contractor manifest for the Launch(es) of the Satellite Batches, based upon these criteria: (i) adequate time period during which Contractor can make the necessary preparations for and perform a Launch; (ii) the requirements and interests of the Customer; (iii) Contractor's existing and prospective customer commitments in accordance with Section 5.5; and (iv) the manifest guidelines specified in Section 5.4.

Launch Program Manager shall have the meaning set forth in Section 8.2.

Launch Range means United States Government authorities, facilities and infrastructure with jurisdiction over the Launch Site and Launch Service.

Launch Service(s) means the services to be provided under Article 2.

Launch Service Price shall have the meaning set forth in Section 3.1.

Launch Site means either VAFB or KWAJ.

Launch Slot means a [\*\*\*...\*\*\*] Day period of time during which a Launch Service will occur.

Launch Slot Offer shall have the meaning set forth in Section 6.4.

Launch Success shall mean, with respect to each Launch Service:

(a) compliance with the specifications and requirements of the SOW for the following: (i) [\*\*\*...\*\*\*]; (ii) [\*\*\*...\*\*\*]; (iii) [\*\*\*...\*\*\*]; (iv) [\*\*\*...\*\*\*]; (v) [\*\*\*...\*\*\*]; (vi) [\*\*\*...\*\*\*]; and (vii) [\*\*\*...\*\*\*] determined based on flight telemetry data or other objective evidence; or

(b) no Satellite anomaly, failure, defect or non-conformance with such Satellite's performance specifications or operational characteristics resulting from Contractor's failure to meet any of the Launch Success criteria set forth in (a)(i) – (a)(vii) above.

Contractor's obligation with respect to [\*\*\*...\*\*\*]. Launch Success shall be determined in accordance with Section 2.2.

Launch Vehicle means the Falcon 9 [\*\*\*...\*\*\*] launch vehicle and the Dispenser, utilized by Contractor to perform the Launch of any Satellite Batch.

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Launch Window means a time period determined in accordance with the SOW and approved by the Launch Range authority with jurisdiction over the Launch Site.

LIBOR means the 12-month London Interbank Offered Rate published in The Wall Street Journal, from time-to-time, as applied under this Contract.

Lift-Off means physical separation of the Launch Vehicle from the launch pad and ground support equipment and release of the Launch Vehicle hold-down restraints for the purpose of Launch.

Material Change shall have the meaning set forth in Section 11.3(A).

Milestone means the recurring and non-recurring completion events set forth under this Contract.

Milestone Payment shall have the meaning set forth in Section 4.1.

NEXT shall have the meaning set forth in Section 1.1 of the Statement of Work.

Non-Compliance shall have the meaning set forth in Section 11.3(B).

Non-Recurring Price shall mean the portion of the Contract Price identified as such in Exhibit C.

Non-Recurring Launch Service Milestone shall mean the Milestone Payments associated with any portion of the Non-Recurring Price for a Launch Service.

Optional Services shall mean the optional services listed in the Optional Services table in Exhibit D.

Partial Launch Failure means that the conditions for a Launch Success have not been met for one or more Satellites, but not for all Satellites launched by the same Launch Vehicle.

Partial Loss for purposes of Customer's policy of Launch and In-Orbit Insurance only (and not for any other purpose hereunder), shall have the meaning assigned to such term in Customer's policy of Launch and In-Orbit Insurance, if any, in place at the time of a Launch to be performed under this Contract.

Party or Parties means Contractor or Customer or both depending on the context.

Post-Launch Services means all services that are to be provided by Contractor to Customer after Launch pursuant to the SOW.

PPI Ratio means the amount derived by dividing the annual value of Producer Price Index, or PPI, 1423 (as reported in Table 6 of the Bureau of Labor Statistics PPI Detailed Report – "Producer price indexes and percent changes for commodity and service groupings and individual items, not seasonally adjusted") for the year prior to the applicable option exercise year by the annual PPI 1423 for year [\*\*\*...\*\*\*].

Proprietary Information shall have the meaning set forth in Section 19.2.

Receiving Party shall have the meaning set forth in Section 19.2.

Reflight Option shall mean the option exercisable pursuant to Section 16.2.

Reasonable Efforts means standards, practices, methods, and procedures consistent with applicable law and that degree of effort, skill, diligence, prudence, and foresight that would reasonably and ordinarily be expected from each Party under this Contract.

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Related Third Party(ies) means any of the following parties, and except for any party with a financial interest in Customer, in each case only if such party is involved in Launch Activities:

- Employees, directors, officers or agents of Contractor and Customer, including their affiliates, parents or partner entities;
- Customers of Contractor (other than Customer) and the employees of those customers;
- Associate Contractors and subcontractors at any tier of Contractor or Customer and the employees of those Associate Contractors and subcontractors; and
- Any party with a financial interest in Contractor, Customer, the Launch Services, the Launch Vehicles, or the Satellites.

Satellite means any Satellite forming part of a Satellite Batch supplied by Customer for Launch by Contractor pursuant to this Contract.

Satellite Batch means each grouping of Satellites for a Launch Service, inclusive.

Separation System means the separation hardware mechanisms used to attach a Satellite to the Dispenser along with any deployment mechanisms used to separate, and/or control the separation of the Satellite from the Dispenser.

Software means computer software programs and software systems, whether in source code or object code form, (including firmware, files, databases, interfaces, documentation and other materials related thereto, and any third party Software sublicensed by Contractor hereunder), as such Software is revised, upgraded, updated, corrected, modified, and enhanced from time-to-time.

Statement of Work or SOW means Exhibit A and any other attached document or additional document which has been referenced or incorporated into the SOW (including by Contract amendment) by the Parties and which reflects the scope of work to be performed by Contractor under this Contract, and which specifies each Party's programmatic and technical performance requirements and obligations under this Contract.

Taxes shall have the meaning set forth in Section 3.3.

Termination Fee shall have the meaning set forth in Section 17.1.

Terminated Ignition means Intentional Ignition not followed by Launch. For purposes of Customer's policy of Launch and In-Orbit Insurance (and not for any other purpose hereunder) Terminated Ignition means the instant the Launch Range ground safety officer (or equivalent) officially declares the launch pad safe following shut down of the first stage engines of the Launch Vehicle for any reason before release of the hold down restraints.

Third Party means any individual or legal entity other than the Parties or Related Third Parties.

Total Launch Failure means that the conditions for a Launch Success are not met for any Satellites launched by the same Launch Vehicle.

Total Loss shall mean the loss, destruction or failure of a Satellite that is mated with the Launch Vehicle, provided, however, that for purposes of Customer's policy of Launch and In-Orbit Insurance only (and not for any other purpose hereunder), the meaning assigned to the term "Total Loss" in Customer's policy of Launch and In-Orbit Insurance, if any, in place at the time of a Launch, shall take precedence over this definition. Customer shall promptly provide a copy of such definition to Contractor after the issuance of such policy of Launch and In-Orbit Insurance, if any.

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VAFB means Vandenberg Air Force Base, California, including the associated installations, equipment and services used or provided by Contractor in connection with the Launch Services as provided for in the SOW.

1.2 Interpretation.

In the Contract, unless the contrary intention appears:

- the singular includes the plural and vice versa and words importing a gender include other genders;
- other grammatical forms of defined words or expressions have corresponding meanings;
- a reference to Article means an article of this Contract;
- a reference to a Section means a section of an Article of this Contract;
- a reference to Exhibit means the exhibit(s) identified in Section 1.3 and attached hereto and incorporated herein, as may be amended from time-to-time in accordance with the terms hereof;
- any terms capitalized but not defined herein shall have the definition ascribed thereto in the SOW;
- each Party shall perform its obligations under the Contract at all times in good faith and consistent with the implied covenant of good faith and fair dealing as interpreted by laws of the State of New York;
- each Party shall perform its obligations under the Contract in accordance with all applicable export and import laws, regulations, rules and related provisos, including the International Traffic In Arms Regulations, 22 C.F.R. §§ 120-130.
- a reference to a document or agreement, including the Contract, includes a reference to that document or agreement as assigned, amended, altered or replaced from time-to-time;
- a reference to a Party includes its executors, administrators, successors and persons to whom it assigns and novates the Contract in accordance with Section 24.4;
- words and expressions importing natural persons include partnerships, bodies corporate, associations, governments and governmental and local authorities and agencies;
- the word “including” and words of similar import shall mean “including without limitation,” unless otherwise specified; and
- titles and headings to Articles, Sections and tables are provided for convenience of reference only and shall not affect the meaning or interpretation of this Contract.

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1.3 Contract, Exhibits and Order of Precedence .

This Contract includes the exhibits listed below, which are attached hereto and made a part hereof. In the event of any conflict among the various portions of this Contract, including the exhibits listed below, the following order of precedence shall prevail:

1. Contract Articles 1 through 24
2. Exhibit A: Statement of Work
3. Exhibit B: Launch Schedule
4. Exhibit C: Milestone Payment Schedule
5. Exhibit D: Optional Services
6. Exhibit E: Additional Launch Price
7. Exhibit F: Disclosures

Article 2  
**SERVICES TO BE PROVIDED**

2.1 Launch Services .

Contractor shall provide Launch Services for [\*\*\*...\*\*\*] dedicated Launches of Satellite Batches (“Firm Launch(es)”) and up to an additional [\*\*\*...\*\*\*] dedicated Launches of Satellite Batches, if so exercised by Customer (“Additional Launch(es)”), in accordance with this Section 2.1 and the Statement of Work.

- 2.1.1 If any Launch Service is not a Launch Success, Customer may exercise Additional Launch(es) (on a per Launch Service basis) at anytime up to the end of the Launch Campaign Period plus [\*\*\*...\*\*\*] Days. Such Additional Launch(es) will be performed by Contractor within [\*\*\*...\*\*\*] months of Customer’s exercise of an Additional Launch, subject to available Launch Opportunities. The Launch Service Price, Milestones and Milestone Payments for such Additional Launch(es) under this Section 2.1.1 shall be the same Launch Service Price, Milestone and Milestone Payments as set forth for the first Firm Launch Service in accordance with Exhibit C.
- 2.1.2 Customer may reserve the right to procure up to [\*\*\*...\*\*\*] Additional Launches, if any Satellite or Satellite Batch(es) experience a loss or failure following Launch for reasons other than a Launch Failure. In order to reserve such Additional Launches, Customer must pay a reservation fee of [\*\*\*...\*\*\*] US Dollars (US \$[\*\*\*...\*\*\*]) no later than [\*\*\*...\*\*\*] months after EDC. The Additional Launches may be exercised by Customer at anytime up to the end of the Launch Campaign Period plus [\*\*\*...\*\*\*] Days. Such Additional Launch(es) will be performed by Contractor within [\*\*\*...\*\*\*] months (or such longer period as mutually agreed by Customer and Contractor) of Customer’s exercise of an Additional Launch, subject to available Launch Opportunities. If exercised, the pricing for such Additional Launch(es) shall be in accordance with Exhibit E. If Customer does not exercise an Additional Launch pursuant to this Section 2.1.2, the reservation fee paid for such Additional Launch to Contractor will be refunded to Customer within [\*\*\*...\*\*\*] Days of Customer’s notice of such effect.
- 2.1.3 Notwithstanding Sections 2.1.1 or 2.1.2, Customer may procure up to [\*\*\*...\*\*\*] further Additional Launch(es), that may be exercised up through [\*\*\*...\*\*\*], that at the time of such exercise are assigned a Launch Slot ending no later than [\*\*\*...\*\*\*] (subject to available Launch Opportunities). The pricing for such Additional Launch(es) shall be

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determined in accordance with [\*\*\*...\*\*\*] associated with [\*\*\*...\*\*\*] as of the applicable exercise date thereof. The Milestones and Milestone Payment percentages for such Additional Launch(es) under this Section 2.1.3 shall be the same as set forth in Exhibit E. For the Additional Launch(es) exercised by Customer in accordance with this Section 2.1.3, the Launch Slot for such Launch Service shall be designated so as to occur within [\*\*\*...\*\*\*] years of the Launch Services exercise date, provided however that such Launch Service is performed prior to [\*\*\*...\*\*\*]. Customer shall pay to Contractor a reservation fee of [\*\*\*...\*\*\*] US Dollars (US\$[\*\*\*...\*\*\*]) for each Additional Launch procured pursuant to this Section 2.1.3 no later than [\*\*\*...\*\*\*]. Such reservation fee will be applied to the first Milestone Payment for the applicable Additional Launch. If Customer does not exercise an Additional Launch pursuant to this Section 2.1.3, [\*\*\*...\*\*\*] to Customer within [\*\*\*...\*\*\*] Days of Customer's notice of such effect.

- 2.1.4 Customer and Contractor agree and acknowledge that the total number of Additional Launches that may be exercised by Customer under Sections 2.1.2 and 2.1.3, in the aggregate, is limited to [\*\*\*...\*\*\*].

For the avoidance of doubt, any Refight Options exercised by Customer in accordance with Article 16 shall not be considered a Firm Launch or Additional Launch.

## 2.2 Determination of Launch Success.

If, within [\*\*\*...\*\*\*] Days following any Launch Service, a Satellite experiences an anomaly, failure, defect or other non-conformance with its performance specifications or operational characteristics, Customer shall promptly inform Contractor in writing and provide reasonable detail regarding such anomaly, failure, defect or non-conformance. Contractor shall, within [\*\*\*...\*\*\*] following receipt of Customer's notice pursuant to this Section 2.2 confirm that: (i) all of the Launch Success criteria were achieved for the corresponding Launch Service; or (ii) an independent or intervening event not attributable to Contractor's failure to meet the Launch Success criteria caused the Satellite anomaly, failure, defect or other non-conformance with its performance specifications or operational characteristics, such confirmation in each case, to be based on flight telemetry and other objective data. If Contractor does not provide such confirmation within the stipulated time period, then the corresponding Launch shall be deemed a Launch Failure.

## 2.3 Satellite Dispenser.

Contractor shall design, manufacture, test and qualify the Dispenser, which shall be capable of performing all interface, separation and deployment functions in accordance with the SOW. Contractor shall deliver models, data, software, hardware, and test/support equipment to Customer's Associate Contractor as required by the SOW.

## 2.4 Separation System.

- 2.4.1 Contractor shall itself or through a Third Party design, manufacture, test and qualify the Separation System, which shall be capable of performing all interface, separation and deployment functions in accordance with the SOW. Contractor shall deliver models, data, software, hardware, and test/support equipment to Customer's Associate Contractor as required by the SOW.
- 2.4.2 [\*\*\*...\*\*\*]. If Contractor obtains [\*\*\*...\*\*\*]. Without limiting the foregoing, Contractor agrees that [\*\*\*...\*\*\*] if Customer [\*\*\*...\*\*\*]. Furthermore, if Contractor obtains [\*\*\*...\*\*\*], upon Customer request, Contractor will reasonably assist Customer and provide Customer with [\*\*\*...\*\*\*] as is necessary for Customer [\*\*\*...\*\*\*], including for [\*\*\*...\*\*\*]. Such information includes, but is not limited to, [\*\*\*...\*\*\*].

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## 2.5 Primary and Backup Launch Site .

The primary Launch Site for all Launch Services shall be VAFB and KWAJ is designated as the alternate Launch Site in the event of VAFB unavailability as provided for in this Section 2.5.

- 2.5.1 Change of Launch Site Not Attributable to Contractor. No later than [\*\*\*...\*\*\*] months (or such shorter period that Customer may reasonably agree to in writing) prior to any scheduled Launch, Contractor shall notify Customer in writing if VAFB is not available for such Launch Services due to Launch Site or Launch Range unavailability for reasons not primarily attributable to Contractor (and notwithstanding Contractor's Reasonable Efforts to maintain or preserve Customer's scheduled Launch Date or Launch Slot) and include in such notification: (i) the reasons for Launch Site or Launch Range unavailability; (ii) the duration of such Launch Site or Launch Range unavailability; and (iii) the next available Launch Opportunity at VAFB (to the best knowledge of Contractor at that time) and at KWAJ. Within [\*\*\*...\*\*\*] Days of receipt of Contractor's notice, Customer shall notify Contractor of its election for the Launch Services to be performed at KWAJ, subject to available Launch Opportunities, or during the next available Launch Opportunity at VAFB. If Customer elects to proceed with the Launch Services at the next available Launch Opportunity at KWAJ or VAFB, then the Adjustment Fee associated with any Launch schedule adjustments as provided for in Article 6 shall not apply to either Contractor or Customer. Notwithstanding the foregoing, in the event of a Launch Site unavailability within [\*\*\*...\*\*\*] months prior to any scheduled Launch Date for any Launch Services under this Contract that results in or is reasonably likely to result in a delay to or displacement of a Customer Launch Slot, Contractor and Customer will abide by the provisions of this Section 2.5.1 in connection with the selection of a Launch Site for the affected Launch Service.
- 2.5.2 Change of Launch Site Attributable to Contractor. No later than [\*\*\*...\*\*\*] months (or such shorter period that Customer may reasonably agree to in writing) prior to any scheduled Launch, Contractor shall notify Customer in writing if VAFB is not available for such Launch Services due to Launch Site or Launch Range unavailability for reasons primarily attributable to Contractor and include in such notification: (i) the reasons for Launch Site or Launch Range unavailability; (ii) the duration of such Launch Site or Launch Range unavailability; and (iii) the next available Launch Opportunity at VAFB (to the best knowledge of Contractor at that time) and at KWAJ. Within [\*\*\*...\*\*\*] Days of receipt of Contractor's notice, Customer shall notify Contractor of its election for the Launch Services to be performed at KWAJ, subject to available Launch Opportunities, or during the next available Launch Opportunity at VAFB. If Customer elects to proceed with the Launch Services at the next available Launch Opportunity at KWAJ, then the Adjustment Fee associated with any Launch schedule adjustments as provided for in Section 6.2 shall apply to Contractor. In the event of a Launch Site unavailability within [\*\*\*...\*\*\*] months prior to any scheduled Launch Date for any Launch Services under this Contract that results in or is reasonably likely to result in a delay to or displacement of a Customer Launch Slot, Contractor and Customer will abide by the provisions of this Section 2.5.2 in connection with the selection of a Launch Site for the affected Launch Service.

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Article 3  
**CONTRACT PRICE**

3.1 Launch Price.

The price for each Firm Launch is set forth in Exhibit C, and the price for each Additional Launch is set forth in Section 2.1 (as applicable, the “Launch Service Price”). If Customer exercises any of the per mission Optional Services provided for in Exhibit D, the per mission price for such Optional Services shall be included in the corresponding Launch Service Price.

3.2 Contract Price.

The aggregate price for all the Firm Launches, including the Non-Recurring Price (together, the “Contract Price”), is set forth in Exhibit C. The Contract Price shall include all of the services specified in the SOW and any of the Optional Services provided for in Exhibit D that are exercised by Customer.

3.3 Taxes.

Contractor, after due inquiry, investigation and to the best of its knowledge, represents and warrants that as of EDC, no taxes, duties and other levies imposed by the United States government or any political subdivision thereof are due for the activities and transactions contemplated by this Contract, including any Launch Services (“Taxes”). However, should [\*\*\*...\*\*\*], Contractor shall, [\*\*\*...\*\*\*]. If Contractor is unable [\*\*\*...\*\*\*], the Parties shall [\*\*\*...\*\*\*], provided however, that in any case [\*\*\*...\*\*\*] in connection such Taxes shall not [\*\*\*...\*\*\*] of: (i) [\*\*\*...\*\*\*] percent ([\*\*\*...\*\*\*]%) of [\*\*\*...\*\*\*]; or (ii) [\*\*\*...\*\*\*] percent ([\*\*\*...\*\*\*]%) of [\*\*\*...\*\*\*].

3.4 [\*\*\*...\*\*\*].

Contractor [\*\*\*...\*\*\*], with respect the Launch Services procured by Customer under this Contract, Customer shall not [\*\*\*...\*\*\*] by Contractor following [\*\*\*...\*\*\*]. If Contractor [\*\*\*...\*\*\*], Contractor shall [\*\*\*...\*\*\*] and Customer will be entitled to [\*\*\*...\*\*\*]. If [\*\*\*...\*\*\*], Contractor will [\*\*\*...\*\*\*] within [\*\*\*...\*\*\*] Days of the written notice by Customer. At the written request of Customer, and within [\*\*\*...\*\*\*] Business Days thereof, Contractor shall from time-to-time, [\*\*\*...\*\*\*] provided for in this Section 3.4.

Article 4  
**PAYMENT**

4.1 Payments.

Upon the successful completion of a Non-Recurring Launch Service Milestone or a Launch Service Milestone in accordance with the Milestone completion criteria set forth in Appendix B of the SOW, Customer shall pay the applicable invoice issued by Contractor in accordance with Section 4.4 below (each a “Milestone Payment”). If a payment due date falls on a Day other than a Business Day, then payment shall be due on the following Business Day.

4.2 [\*\*\*...\*\*\*].

Notwithstanding the other provisions of Article 4, in the event that [\*\*\*...\*\*\*] as set forth in [\*\*\*...\*\*\*] shall be [\*\*\*...\*\*\*]. If [\*\*\*...\*\*\*] as set forth in [\*\*\*...\*\*\*] shall be [\*\*\*...\*\*\*] on a [\*\*\*...\*\*\*] basis [\*\*\*...\*\*\*].

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#### 4.3 Wire Transfer Instructions.

All payments made to Contractor hereunder shall be in U.S. currency and shall be made by electronic funds transfer to the following account:

Bank Name:	[***...***]
Bank Address:	[***...***]
	[***...***]
Account Number:	[***...***]
Routing:	[***...***]
SWIFT:	[***...***]

or such other account or accounts as Contractor may specify in writing to Customer.

To the extent any payments are made to Customer hereunder, all such payments shall be in U.S. currency and shall be made by electronic funds transfer to the following account:

Bank Name:	[***...***]
Account Number:	[***...***]
ABA Number:	[***...***]
Beneficiary:	Iridium Satellite LLC

or such other account or accounts as Customer may specify in writing to Contractor.

#### 4.4 Invoices.

With the exception of the EDC payment addressed below, for each Milestone Payment, Contractor shall submit to Customer an invoice for payment after successful completion of the applicable Milestone (determined by Customer solely in accordance with the Milestone completion criteria set forth in Appendix B to the SOW) on or after the corresponding Milestone Payment due date listed in Exhibit C or Exhibit E, as applicable, including Contractor's certification that the applicable Milestone completion criteria have been met in accordance with the requirements of the SOW. For the avoidance of doubt, no invoice for a Milestone Payment may be submitted by Contractor until all of the requirements of the applicable Milestone have been met and, in any case, not prior to the applicable Milestone Payment due date. To the extent that any activities or work related to the completion of a Milestone are subsequently rendered incomplete (or in the case Customer has pre-paid such Milestone and it is subsequently not achieved per the then-applicable schedule) as a result of corrective work or activity required to be completed by Contractor (for example, as a result of a Launch Service being preempted due an imperative national need as described in Section 12.1.1, or a stand-down of the Launch Vehicle due to a design flaw or manufacturing process anomaly), Contractor will, at Customer's written election, reimburse or credit Customer for the total amount of the Milestone Payment for the Milestone which has been rendered incomplete. Payment shall be made by Customer to Contractor, or as applicable, a reimbursement shall be made by Contractor to Customer, for any Milestone Payment within [\*\*\*...\*\*\*] Days of submission of an invoice in accordance with the requirements of this Section 4.4, except for any invoice pertaining to the EDC payment, which shall be submitted within [\*\*\*...\*\*\*] Business Days of: (a) EDC; or (b) exercise of Additional Launch(es), as applicable. Payments shall be deemed made when credit for the payable amount is established in Contractor's designated bank account.

All invoices delivered under this Contract shall be complete and reasonably detailed in order to provide the recipient with sufficient information to ascertain the nature and scope of the charges included therein.

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#### 4.5 Disputed Payments .

If Customer determines that a Milestone has not been completed in accordance with the Milestone completion criteria set forth in Appendix B to the SOW, Customer shall so notify Contractor in writing within [\*\*\*...\*\*\*] Days of receipt of the applicable invoice, and within [\*\*\*...\*\*\*] Days thereafter provide in reasonable detail the Contract requirements associated with the applicable Milestone that have not been met. In the event Contractor disputes Customer's contention that the applicable Milestone has not been completed in accordance with the requirements of this Contract, the Parties shall attempt to resolve such dispute in accordance with the procedures provided for in Section 18.1, during which Contractor shall continue to perform its obligations under this Contract in a timely manner, and Customer shall continue to perform its obligations that are not disputed under this Section 4.5 in a timely manner. If the Parties are unable to resolve such dispute in accordance with the procedures set forth in Section 18.1, then either Party may immediately begin legal proceedings in accordance with Section 18.2 and the performance obligations set forth in this Section 4.5 shall no longer apply. If it is subsequently determined that the applicable Milestone had been timely completed in accordance with the requirements of this Contract, Customer shall immediately pay the applicable Milestone Payment, to include late payment interest in accordance with the terms of Section 4.6.

#### 4.6 Interest on Payments Due .

If any undisputed amount due by Customer to Contractor under this Contract shall remain unpaid after its due date, and if Contractor has provided Customer written notice thereof with a [\*\*\*...\*\*\*] Day period to cure, then the Customer shall pay interest to Contractor at the Interest Rate. Interest will be computed commencing as of the Business Day after the due date until and including the date payment is actually made, unless paid during the cure period, in which case no interest shall be due.

#### 4.7 Accelerated Payments .

In the event that a Launch Service is accelerated by Customer in accordance with the terms of Article 6 the remaining Milestone Payment due dates shall be accelerated on a Day-for-Day basis for such Launch Service. If, as a result of such acceleration and the early completion of an applicable Launch Service Milestone by Contractor, a Milestone Payment that should already have been made due in accordance with Section 4.1, such Milestone Payment shall be immediately invoiced by Contractor and paid by Customer within [\*\*\*...\*\*\*] Days of receipt of the corresponding invoice by Customer. Notwithstanding the foregoing, no accelerated payment shall be provided for a Milestone that is completed earlier than the corresponding Milestone Payment due date specified in Exhibit C unless the due date has been accelerated (as described above) or Customer has provided a written notification to Contractor indicating approval of an earlier completion date for such Milestone.

#### 4.8 U.S. Government Cooperation .

Contractor shall, upon the request of Customer, cooperate with any U.S. Government customer for NEXT on a Reasonable Efforts basis in connection with pricing or cost disclosure requirements.

### Article 5 **LAUNCH SCHEDULE**

#### 5.1 Launch Campaign Period .

The [\*\*\*...\*\*\*] Firm Launches shall take place during the term commencing with the initial Day of the Launch Slot for the first Firm Launch and ending [\*\*\*...\*\*\*] months thereafter ("Launch Campaign Period"). The Parties have scheduled the Launch Slots and Launch Dates in accordance with Exhibit B.

#### 5.2 Confirmation of Launch Campaign .

Period No later than [\*\*\*...\*\*\*] months prior to the commencement of the Launch Campaign Period, Customer shall provide Contractor a written notice: (i) confirming the Launch Campaign Period designated in Section 5.1; or (ii) adjusting the Launch Campaign Period in accordance with Section 6.1.1.

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### 5.3 Additional Launches .

Customer shall confirm to Contractor the desired Launch Slot within a Launch Opportunity for each Additional Launch as of the date such Additional Launch is ordered pursuant to the terms of this Contract. In the event that the Launch Slot desired by Customer is not available, Contractor shall propose a new available Launch Slot that is closest in time to the Launch Slot originally requested by Customer, and the Parties will cooperate in good faith to determine such Launch Slot within [\*\*\*...\*\*\*] Business Days of Contractor's new proposal. The process described in the immediately preceding sentence shall be repeated until a Launch Slot is determined.

### 5.4 Launch Manifest Policy .

Contractor and Customer shall comply with the launch schedule prioritization policy set forth in this Section 5.4 in the event of a delay caused by either Customer or Contractor.

- 5.4.1 Subject to Section 5.4.2, Contractor agrees and acknowledges that, consistent with its manifest policy, Customer's scheduled Launch Service (including any Additional Launches or reflight Launch Services exercised by Customer) will not be displaced from a Launch Slot or Launch Date, with the following exceptions: (i) [\*\*\*...\*\*\*]; (ii) [\*\*\*...\*\*\*]; or (iii) [\*\*\*...\*\*\*] available for a scheduled Customer Launch Service. If a Customer Launch Service is displaced pursuant to the terms of this Section 5.4.1, then notwithstanding such displacement, the pre-existing order of manifested launches shall remain in effect as of the date the displacement occurs.
- 5.4.2 In the event of a Contractor delay of either a Customer Launch Service (including any Additional Launches or reflight Launch Services exercised by Customer) or a prior Third Party launch service for reasons attributable to: (i) [\*\*\*...\*\*\*]; (ii) [\*\*\*...\*\*\*]; or (iii) [\*\*\*...\*\*\*], the pre-existing order of manifested launches shall remain in effect as of the date of the Contractor delay.
- 5.4.3 In the event of [\*\*\*...\*\*\*] that occurs [\*\*\*...\*\*\*] and is [\*\*\*...\*\*\*] between [\*\*\*...\*\*\*] associated with [\*\*\*...\*\*\*], Contractor shall [\*\*\*...\*\*\*]. If such [\*\*\*...\*\*\*] within [\*\*\*...\*\*\*] Days of the applicable [\*\*\*...\*\*\*], and Contractor is [\*\*\*...\*\*\*], then Contractor shall [\*\*\*...\*\*\*] provided that [\*\*\*...\*\*\*] shall be [\*\*\*...\*\*\*].
- 5.4.4 In the event of [\*\*\*...\*\*\*] that occurs [\*\*\*...\*\*\*] and is [\*\*\*...\*\*\*] between [\*\*\*...\*\*\*] associated with [\*\*\*...\*\*\*], Contractor shall [\*\*\*...\*\*\*]. If such [\*\*\*...\*\*\*] within [\*\*\*...\*\*\*] Days of the applicable [\*\*\*...\*\*\*], and Contractor is [\*\*\*...\*\*\*], Contractor shall [\*\*\*...\*\*\*].
- 5.4.5 If any Customer Launch Service (including any Additional Launches or reflight Launch Services exercised by Customer) is a DO/DX Launch, Contractor shall perform such Launch Service in accordance with the prioritization requirements of the CSLA.
- 5.4.6 Subject to Section 5.5, Contractor shall assign any available Launch Opportunities to Customer or its existing Third Party customers on a first-come, first-served basis upon the earlier in time receipt of a binding contract amendment, change order or option exercise from Customer or any existing Third Party customer.

### 5.5 Contractor Provision of Manifest-Related Information .

Contractor, in accordance with the requirements of the SOW, shall provide Customer once per calendar quarter a schedule of current contracted launches and Launch Opportunities extending through the later of: (i) the period Customer may exercise Additional Launch(es) as specified in Section 2.1; or (ii) the performance of any Launch Services under this Contract. Such schedule will not reflect the names of

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Contractor's customers or payloads or any other Proprietary Information of Contractor not germane to manifest management, and will be considered Proprietary Information of Contractor pursuant to Article 19 herein and shall be used by Customer only for the purpose of managing Customer's rights and obligations under this Contract. Notwithstanding the foregoing, Contractor may from time-to-time [\*\*\*...\*\*\*] that [\*\*\*...\*\*\*] is subject to [\*\*\*...\*\*\*] with the effect of [\*\*\*...\*\*\*] for a [\*\*\*...\*\*\*] Day period. Following the aforementioned [\*\*\*...\*\*\*] Day period, if Contractor has not [\*\*\*...\*\*\*] during the identified [\*\*\*...\*\*\*], then such [\*\*\*...\*\*\*] to Customer. If Contractor becomes aware of any event, development or circumstance that, in the reasonable judgment of Contractor would materially impact the scheduling of a Customer Launch Slot or Launch Date, Contractor shall promptly notify Customer in writing of such potential event, development or circumstance and Contractor's plan to resolve or mitigate the impact thereof on the scheduling of Customer's applicable Launch Slot or Launch Date.

## Article 6 LAUNCH SCHEDULE ADJUSTMENTS

### 6.1 Customer Launch Schedule Adjustments

- 6.1.1 Customer No-Cost Adjustments. Customer shall have the right to adjust the Launch Campaign Period, or any scheduled Launch Slot or Launch Date, at no increase to the Contract Price as follows:
- (A) Advance the commencement of the Launch Campaign Period, or any scheduled Launch Slot, subject to providing written notice to Contractor no less than [\*\*\*...\*\*\*] months prior to the desired new Launch Slot or commencement date of the Launch Campaign Period.
  - (B) Postpone the commencement of the Launch Campaign Period, or any scheduled Launch Slot, subject to providing written notice to Contractor no less than [\*\*\*...\*\*\*] months prior to the originally scheduled Launch Slot or commencement of the Launch Campaign Period.
  - (C) Postpone the Launch Date within the applicable Launch Slot no less than [\*\*\*...\*\*\*] prior to the then-scheduled Launch Date, provided that advance written notice is provided to Contractor.
  - (D) Postpone any Launch Date for a cumulative period of up to [\*\*\*...\*\*\*] months.
- 6.1.2 Customer Cost-Based Adjustments. Customer shall have the right to adjust any scheduled Launch Date that does not meet the criteria provided for in Section 6.1.1, subject to application of an adjustment fee (the "Adjustment Fee") as set forth below:
- (A) Advance the applicable Launch Date so that the Launch Service is performed between [\*\*\*...\*\*\*] and [\*\*\*...\*\*\*] months following Customer's written notification, for an Adjustment Fee of [\*\*\*...\*\*\*] percent ([\*\*\*...\*\*\*]%) of the applicable Launch Service Price. The Adjustment Fee shall be amortized equally among the remaining Milestone Payments for the applicable Launch Service. If a Launch Service advanced pursuant to this Section 6.1.2 (A) is not performed between [\*\*\*...\*\*\*] and [\*\*\*...\*\*\*] months following Customer's written notification for reasons other than a Customer delay requested pursuant to Section 6.1, the Adjustment Fee shall be refunded to Customer within [\*\*\*...\*\*\*] Days.

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- (B) Advance the applicable Launch Date so that the Launch Service is performed less than [\*\*\*...\*\*\*] months following Customer's written notification, for an Adjustment Fee of [\*\*\*...\*\*\*] of the applicable Launch Service Price. The Adjustment Fee shall be amortized equally among the remaining Milestone Payments for the applicable Launch Service. If a Launch Service advanced pursuant to this Section 6.1.2 (B) is not performed within [\*\*\*...\*\*\*] months following Customer's written notification for reasons other than a Customer delay requested pursuant to Section 6.1, the Adjustment Fee shall be refunded to Customer within [\*\*\*...\*\*\*] Days.
- (C) Postpone the applicable Launch Date:
  - (i) for a period of between [\*\*\*...\*\*\*] and [\*\*\*...\*\*\*] months, for an Adjustment Fee of [\*\*\*...\*\*\*] percent ([\*\*\*...\*\*\*]%) of the applicable Launch Service Price per month;
  - (ii) for a period of more than [\*\*\*...\*\*\*] months, for an Adjustment Fee of [\*\*\*...\*\*\*] percent ([\*\*\*...\*\*\*]%) of the applicable Launch Services Price per month; or
  - (iii) within the applicable Launch Slot within [\*\*\*...\*\*\*] prior to the then-scheduled Launch Date, subject to available Launch Opportunities and payment of direct costs incurred as a direct result of the postponement of the Launch Date by Third Parties engaged by Contractor.
- (D) Customer, in lieu of paying the Adjustment Fees set forth in Sections 6.1.2 (C), may instead make then-current Milestone Payments for the affected Launch Service, subject to the provisions of Section 4.4.

6.1.3 Conditions Associated With Customer Launch Schedule Adjustments

- (A) The scheduling of a new Launch Date pursuant to a Customer request under Sections 6.1.1 or 6.1.2 shall be subject to: (i) available Launch Opportunities; and (ii) Customer providing justification or evidence for the underlying event/cause resulting in its postponement request in a form reasonably acceptable to Contractor.
- (B) Any delay of a Launch Date in excess of the delay requested by Customer shall not be deemed either a Customer or Contractor delay for purposes of Article 6.
- (C) In connection with any Customer adjustments to a Launch Date, Contractor shall maintain the capability to perform no less than [\*\*\*...\*\*\*] Customer Launch Services during any [\*\*\*...\*\*\*] month period during the Launch Campaign Period plus [\*\*\*...\*\*\*] additional months.
- (D) For any Launch Services advanced by Customer pursuant to Section 6.1.1 or 6.1.2, the remaining Milestone Payments will be advanced on a Day-for-Day basis.
- (E) If Customer provides Contractor at least [\*\*\*...\*\*\*] months advance notice of postponement of the Launch Campaign Period, a Launch Slot or Launch Date, then Customer's remaining Milestone Payments for the affected Launch Services will be postponed on a Day-for-Day basis.

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- (F) If Customer provides Contractor less than [\*\*\*...\*\*\*] months advance notice of postponement of the Launch Campaign Period, a Launch Slot or Launch Date, then Customer's remaining Milestone Payments (with the exception of payments associated with the Launch and Post Flight Report Complete Milestones identified in Exhibit C) for the affected Launch Services will be due and payable in accordance with the existing Milestone Payment schedule prior to giving effect to Customer's requested postponement.
- (G) Any Adjustment Fees applicable to a fractional month shall be calculated on a pro-rata basis.
- (H) For the avoidance of doubt, provided that [\*\*\*...\*\*\*], if Customer has [\*\*\*...\*\*\*] and the Parties are [\*\*\*...\*\*\*], the Contractor shall [\*\*\*...\*\*\*] for that particular Launch Service.
- (I) Notwithstanding the foregoing, if Contractor is able to [\*\*\*...\*\*\*] pursuant to the terms of Section [\*\*\*...\*\*\*], the applicable [\*\*\*...\*\*\*] shall not be [\*\*\*...\*\*\*] and will not be [\*\*\*...\*\*\*].
- (J) Customer may change the mission designation of any Launch Slot or Launch Date under this Contract in connection with any Launch Slot or Launch Date adjustment pursuant to Section 6.1 in accordance with the applicable requirements of the SOW.
- (K) Customer's right to advance the Launch Campaign Period, any Launch Slot or Launch Date pursuant to Sections 6.1.1(A), 6.1.2(A) and 6.1.2.(B) shall be subject to the Parties mutually and reasonably agreeing to necessary changes to the Launch Vehicle qualification criteria set forth in Article 11.
- (L) The aggregate sum of any Adjustment Fees due by Customer to Contractor resulting from adjustments to any particular Launch Service pursuant to Section 6.1.2 shall not exceed: (i) [\*\*\*...\*\*\*] US Dollars (US\$[\*\*\*...\*\*\*]) for the first Firm Launch; and (ii) [\*\*\*...\*\*\*] US Dollars (US\$[\*\*\*...\*\*\*]) for Firm Launches [\*\*\*...\*\*\*] through [\*\*\*...\*\*\*], with a sum of Adjustment Fees not to exceed [\*\*\*...\*\*\*] US Dollars (US\$[\*\*\*...\*\*\*]) for all Firm Launches. With respect to any Additional Launches, the aggregate sum of Adjustment Fees owed by Customer to Contractor shall be [\*\*\*...\*\*\*] US Dollars (US\$[\*\*\*...\*\*\*]) for each Additional Launch Service.
- (M) Any Adjustment Fees incurred by Customer pursuant to Section 6.2 shall be paid to Contractor monthly in arrears.

## 6.2 Contractor Launch Schedule Adjustments.

- 6.2.1 Contractor No-Cost Adjustments. Contractor shall have the right to adjust the Launch Date, without application of an Adjustment Fee, as follows:
  - (A) Contractor shall have the right to adjust the Launch Date within the applicable Launch Slot up to [\*\*\*...\*\*\*] Days prior to the then-scheduled Launch Date, subject to: (i) available Launch Opportunities; (ii) availability of a Satellite Batch and Customer mission critical resources; and (iii) provided that reasonable advance written notice is provided to Customer.

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(B) Postpone any Launch Date for a cumulative period of up to [\*\*\*...\*\*\*] Days.

6.2.2 Contractor Cost-Based Adjustments. Contractor shall have the right to postpone any scheduled Launch Date that does not meet the criteria provided for in Section 6.2.1, subject to available Launch Opportunities, the manifest policy set forth in Section 5.4 and application of an Adjustment Fee as set forth below:

- (A) Postpone the Launch Date within the applicable Launch Slot within [\*\*\*...\*\*\*] prior to the then-scheduled Launch Date, subject to available Launch Opportunities and payment of direct costs incurred as a direct result of the postponement of the Launch Date by Related Third Parties engaged by Customer.
- (B) Subject to Customer not exercising its termination for default right provided for under Section 17.2, and with respect to the first Firm Launch Service only, from [\*\*\*...\*\*\*] Days and up to [\*\*\*...\*\*\*] Days in the aggregate for an Adjustment Fee of [\*\*\*...\*\*\*] percent ([\*\*\*...\*\*\*]%) of the applicable Launch Service Price per month.
- (C) With respect to all other Launch Services (other than the first Firm Launch Service), from [\*\*\*...\*\*\*] and up to [\*\*\*...\*\*\*] Days in the aggregate for an Adjustment Fee of [\*\*\*...\*\*\*] percent ([\*\*\*...\*\*\*]%) of the applicable Launch Service Price per month.
- (D) With respect to all Launch Services (other than the first Firm Launch Service), and subject to Customer not exercising its termination for default right provided for under Section 17.2, greater than [\*\*\*...\*\*\*] Days and up to [\*\*\*...\*\*\*] Days in the aggregate for the affected Launch Service for an Adjustment Fee of [\*\*\*...\*\*\*] percent ([\*\*\*...\*\*\*]%) of the applicable Launch Service Price per month.
- (E) With respect to all Launch Services, subject to Customer not exercising its termination for default right provided for under Section 17.2, greater than [\*\*\*...\*\*\*] Days in the aggregate for the affected Launch Service for an Adjustment Fee of [\*\*\*...\*\*\*] percent ([\*\*\*...\*\*\*]%) of the applicable Launch Service Price per month.

6.2.3 Conditions Associated With Contractor Launch Schedule Adjustments

- (A) In connection with any Contractor adjustments to a Launch Date, Contractor shall maintain the capability to perform no less than [\*\*\*...\*\*\*] Customer Launch Services during any [\*\*\*...\*\*\*] month period during the Launch Campaign Period plus [\*\*\*...\*\*\*] additional months. Notwithstanding the foregoing, Contractor shall complete the Launch of all Satellite Batches as expeditiously as possible.
- (B) For any Launch Services postponed by Contractor pursuant to Section 6.2, the remaining Milestones for such Launch Service will be delayed on a Day-for-Day basis and Customer shall pay such Milestones in accordance with revised Milestone Payment schedule for such Launch Service.
- (C) Any Adjustment Fees applicable to a fractional month shall be calculated on a pro-rata basis.

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- (D) If a new Launch Date outside of the original Launch Slot is established as a result of a Launch schedule adjustment pursuant to this Section 6.2, the newly-established Launch Date shall represent the first Day of the new corresponding Launch Slot.
- (E) The aggregate sum of any Adjustment Fees due by Contractor to Customer resulting from adjustments to any particular Launch Service pursuant to Section 6.2.2 shall not exceed: (i) [\*\*\*...\*\*\*] US Dollars (US\$[\*\*\*...\*\*\*]) for the first Firm Launch; and (ii) [\*\*\*...\*\*\*] US Dollars (US\$[\*\*\*...\*\*\*]) for Firm Launches [\*\*\*...\*\*\*] through [\*\*\*...\*\*\*], with a sum of Adjustment Fees not to exceed [\*\*\*...\*\*\*] US Dollars (US\$[\*\*\*...\*\*\*]) for all Firm Launches. With respect to any Additional Launches, the aggregate sum of Adjustment Fees owed by Contractor to Customer shall be [\*\*\*...\*\*\*] US Dollars (US\$[\*\*\*...\*\*\*]) for each Additional Launch Service.
- (F) Any Adjustment Fees incurred by Contractor pursuant to Section 6.2 shall be paid to Customer monthly in arrears.

#### 6.3 Notice of Requests and Determination of Launch.

Opportunities All Customer and Contractor requests for adjustment of the Launch Campaign Period, or the Launch Slot or Launch Date, shall be made by giving written notice to the other Party in accordance with Section 8.3. The Parties will cooperate in good faith to adjust the Launch Campaign Period or select a new Launch Slot or Launch Date, as applicable. In the event that the Parties cannot mutually agree as to the relevant adjustment within [\*\*\*...\*\*\*] Days (or such shorter time period as may be necessary in light of the proximity to the Launch), the Parties shall apply the launch manifest policy set forth in Section 5.4 to determine a new Launch Slot or Launch Date, taking into account the available Launch Opportunities and the requirements and interests of Customer and Contractor. Until the new Launch Campaign Period, Launch Slot or Launch Date is selected in accordance with this Section 6.3, the then-current Launch Schedule shall remain in effect.

#### 6.4 [\*\*\*...\*\*\*].

Customer shall have [\*\*\*...\*\*\*] that is scheduled on [\*\*\*...\*\*\*] during the [\*\*\*...\*\*\*] months thereafter [\*\*\*...\*\*\*], provided such [\*\*\*...\*\*\*] is made at least [\*\*\*...\*\*\*] prior to the date of such [\*\*\*...\*\*\*]. Prior to submission of [\*\*\*...\*\*\*], Contractor shall: (i) [\*\*\*...\*\*\*]; and (ii) [\*\*\*...\*\*\*], and to the extent reasonably appropriate or advisable under the circumstances, [\*\*\*...\*\*\*] in furtherance of the [\*\*\*...\*\*\*]. If [\*\*\*...\*\*\*], Contractor shall [\*\*\*...\*\*\*] into a [\*\*\*...\*\*\*] in accordance with the terms and conditions of this Contract.

#### 6.5 Obligation to Give Prompt Notice.

Contractor and Customer acknowledge and agree that it is in the best interests of both Parties to promote certainty in launch schedule decisions and minimize disruption to other customers of Contractor. Therefore, the Parties agree to give prompt notice of any need for a schedule change under this Article 6 or any actual or potential delay that might impact the launch schedule, with such notification to occur pursuant to Section 6.3.

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6.6 Characterization of Adjustment Fees.

Customer and Contractor agree that the Adjustment Fees provided for in this Article 6 do not constitute a penalty or estimate of future damages, but represent reasonable fees associated with the adjustment of affected Launch Service and Contractor or Customer's associated obligations under this Contract at various points in time.

Article 7  
**REPRESENTATIONS AND WARRANTIES**

The Contractor makes the representations and warranties contained in this Article 7. Each such representation and warranty shall be deemed made as of the execution date of this Contract, and if necessary, Contractor shall supplement such representations and warranties as of EDC.

7.1 Contractor's Performance.

In connection with Contractor's performance of its obligations under this Contract, Contractor shall maintain its ISO 9001 certification and obtain and maintain AS9100 certification, perform work in a skillful and workmanlike manner and otherwise abide by common standards, practices, methods and procedures in the commercial aerospace industry (and not solely in the commercial launch services industry). For the avoidance of doubt and with the exception of any acts of Contractor Gross Negligence, Contractor's undertaking in this Section 7.1 does not apply to the performance of or liability with respect to any Launch Services following the moment of Intentional Ignition with respect to any Launch Service. With the exception of ISO 9001 and AS9100, Customer represents and warrants that its Satellite manufacturer Associate Contractor is subject to substantially similar contractual obligations as those set forth in this Section 7.1.

7.2 \*\*\*...\*\*\*.

During \*\*\*...\*\*\* hereunder and until such time as \*\*\*...\*\*\*, Contractor shall \*\*\*...\*\*\* with \*\*\*...\*\*\* versions of: (i) \*\*\*...\*\*\*; (ii) if available, \*\*\*...\*\*\*; (iii) \*\*\*...\*\*\*; and (iv) \*\*\*...\*\*\*, in each case as soon as \*\*\*...\*\*\*.

7.3 Litigation.

Except as set forth on Exhibit F, there are no facts, actions, suits, litigation, arbitration or administrative proceedings pending or, to Contractor's best knowledge, threatened, against the Contractor which would materially adversely effect the Contractor, its financial condition, results of operations and cash flows or otherwise prevent the Contractor from performing under this Contract.

Article 8  
**COORDINATION AND COMMUNICATION BETWEEN  
CUSTOMER AND CONTRACTOR**

8.1 Contractor Cooperation.

Contractor shall cooperate in good faith with and support Customer in the following areas:

- Coordination of the Launch Services and associated planning activities with Customer's Satellite manufacturing Associate Contractor;
- Preparation and presentation of technical briefings associated with Customer's procurement of Launch and In-Orbit Insurance, if procured by Customer, including any claims pursued by Customer thereunder;

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- Registration of the Satellites in accordance with the United Nations Convention on Registration of Objects Launched into Outer Space; and
- Debt or equity financing activities associated with the cost of the Launch Services.

## 8.2 Launch Program Managers .

Each Party shall designate a Launch Program Manager no later than one (1) month after EDC. The task of each of the Launch Program Managers shall be to supervise and coordinate the respective Satellite integration and mission analysis activities between the Parties. Neither Launch Program Manager is authorized to direct work in contravention of the requirements of this Contract or to make modifications to this Contract. Contractor may replace its Launch Program Manager provided Customer has received notification of such action. Customer may reasonably request a change in the Contractor personnel assigned as the Contractor Launch Program Manager, and Contractor shall exercise Reasonable Efforts to comply with Customer's request in a timely manner.

## 8.3 Notices .

All notices that are required or permitted to be given under this Contract shall be in writing and shall be delivered in person or sent by facsimile, certified mail (return receipt requested) or air courier service to the representative and address set forth below, or to such other representative or address specified in a notice to the other Party. Ordinary course communications under this Contract may be given via electronic mail (message delivery or receipt confirmation requested). Notices shall be effective upon delivery in person or upon confirmation of receipt in the case of facsimile, certified mail or air courier.

### Notices to Contractor:

[\*\*\*...\*\*\*]

Space Exploration Technologies Corp.  
1 Rocket Road  
Hawthorne, CA 90250  
Telephone: [\*\*\*...\*\*\*]  
Fax: [\*\*\*...\*\*\*]  
E-mail: [\*\*\*...\*\*\*]

With a copy to:

[\*\*\*...\*\*\*]

Space Exploration Technologies Corp.  
1030 15<sup>th</sup> Street, NW  
Suite 450  
Washington, DC 20005  
Telephone: [\*\*\*...\*\*\*]  
Fax: [\*\*\*...\*\*\*]  
E-mail: [\*\*\*...\*\*\*]

### Notices to Customer:

[\*\*\*...\*\*\*]

Iridium Satellite LLC  
2030 East ASU Circle  
Tempe, AZ 85284

Telephone: [\*\*\*...\*\*\*]  
Fax: [\*\*\*...\*\*\*]

With a copy to:

[\*\*\*...\*\*\*]

Iridium Satellite LLC  
2030 East ASU Circle  
Tempe, AZ 85284

Telephone: [\*\*\*...\*\*\*]  
Fax: [\*\*\*...\*\*\*]

and

[\*\*\*...\*\*\*]

Iridium Satellite LLC  
6707 Democracy Boulevard  
Suite 300  
Bethesda, MA 20817  
Telephone: [\*\*\*...\*\*\*]  
Fax: [\*\*\*...\*\*\*]

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Either Party may from time-to-time change its notice address or the persons to be notified by giving the other Party written notice (as provided above) of such new information and the date upon which such change shall become effective.

8.4 Communications in English.

All documentation, notices, reports and correspondence under this Contract shall be submitted and maintained in the English language.

Article 9  
**ADDITIONAL CONTRACTOR AND CUSTOMER OBLIGATIONS  
PRIOR TO LAUNCH**

9.1 Obligation to Provide Information.

Contractor shall provide to Customer and Customer shall provide to Contractor the data, hardware and services identified in the SOW and required to perform their respective obligations hereunder according to the schedules provided therein. The data, hardware and services will be received in a condition suitable for their intended use as defined by the requirements of the SOW.

9.2 Notification of Non-Compliance.

Either Party shall promptly, and in any event within [\*\*\*...\*\*\*] Business Days, notify the other Party in accordance with Section 8.3 in the event that any data, hardware (excluding hardware associated with the Launch Vehicle qualification criteria provided for in Article 11) or services provided pursuant to the terms of this Contract is not compliant with the applicable requirements contained in the SOW. The notification shall contain a statement of the discrepancy. Contractor or Customer, as applicable, shall promptly remedy the non-compliance or discrepancy identified pursuant to this Section 9.2 with no increase to the Contract Price.

9.3 [\*\*\*...\*\*\*].

Contractor shall [\*\*\*...\*\*\*] attributable to [\*\*\*...\*\*\*] (other than [\*\*\*...\*\*\*] set forth in [\*\*\*...\*\*\*]) that [\*\*\*...\*\*\*]. Customer [\*\*\*...\*\*\*] that [\*\*\*...\*\*\*] is subject to [\*\*\*...\*\*\*] as those set forth in this Section 9.3.

9.4 [\*\*\*...\*\*\*].

Contractor shall [\*\*\*...\*\*\*]. Customer [\*\*\*...\*\*\*] that [\*\*\*...\*\*\*] is subject to [\*\*\*...\*\*\*] as those set forth in this Section 9.4.

Article 10  
**CUSTOMER ACCESS**

10.1 Factory and Launch Site Access.

Customer, its Related Third Parties and designated Affiliates shall have access, subject to coordination with and following reasonable notice to Contractor, to Contractor's mission hardware final assembly factory to witness Contractor's mission hardware final acceptance activities. Customer, its Related Third Parties and designated Affiliates (in each case at their own expense with respect to travel

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and disbursements), will have access to the Launch Site, launch complex and Satellite encapsulation area to witness major Customer-related mission tests and to attend regular coordination meetings. Contractor shall, on a Reasonable Efforts basis, provide Customer, and with prior Customer approval, Customer's Related Third Parties and designated Affiliates, with non-escort badges at the Launch Site, launch complex and Satellite encapsulation area. In each case, the access rights of Customer, its Related Third Parties and designated Affiliates shall be subject to applicable regulatory, confidentiality, security and/or safety limitations.

## 10.2 Access to Information.

Subject to applicable regulatory, confidentiality, security and/or safety limitations, Customer, its Related Third Parties and designated Affiliates shall have access to: (i) for ordinary course activities under the Contract, information required to be provided or made available under the SOW; (ii) in connection with the Dispenser, all designs, parts, processes, test plans and results, procedures and all other data related to failures or defects and related documentation; and (iii) if there is failure or non-conformance specifically related to a Launch Service, information related to any failure or non-conformance, including failure determination, remediation and resolution and associated documentation.

## Article 11 LAUNCH VEHICLE QUALIFICATION

### 11.1 Compliant and Proven Launch Vehicle.

Contractor shall provide a Launch Vehicle to perform the Launch Services under this Contract which meets or exceeds all of the following non-recurring and recurring eligibility criteria:

#### 11.1.1 Non-Recurring Launch Vehicle Qualification Criteria

- (A) No later than [\*\*\*...\*\*\*]: (i) Contractor shall demonstrate compliance of the Falcon 9 [\*\*\*...\*\*\*] vehicle with the [\*\*\*...\*\*\*] set forth in [\*\*\*...\*\*\*] via [\*\*\*...\*\*\*] (in such case, [\*\*\*...\*\*\*] shall be [\*\*\*...\*\*\*] for purposes of this Contract [\*\*\*...\*\*\*]); and (ii) both or either of the [\*\*\*...\*\*\*] shall be [\*\*\*...\*\*\*].
- (B) If Contractor is [\*\*\*...\*\*\*] pursuant to Section 11.1.1(A), however as of [\*\*\*...\*\*\*] months [\*\*\*...\*\*\*] otherwise demonstrates that [\*\*\*...\*\*\*] comply with [\*\*\*...\*\*\*] set forth in [\*\*\*...\*\*\*], then Customer, [\*\*\*...\*\*\*]. Furthermore, if Contractor, as of [\*\*\*...\*\*\*] months [\*\*\*...\*\*\*], is [\*\*\*...\*\*\*] comply with [\*\*\*...\*\*\*] set forth in [\*\*\*...\*\*\*], respectively of [\*\*\*...\*\*\*], then Customer, [\*\*\*...\*\*\*]. For the avoidance of doubt, Contractor's [\*\*\*...\*\*\*] provided for in this Section 11.1.1(B) [\*\*\*...\*\*\*].
- (C) No later than [\*\*\*...\*\*\*], Contractor shall demonstrate compliance of the Falcon 9 [\*\*\*...\*\*\*] vehicle with the [\*\*\*...\*\*\*] set forth in [\*\*\*...\*\*\*] via [\*\*\*...\*\*\*]. In such case, [\*\*\*...\*\*\*] shall be [\*\*\*...\*\*\*] for purposes of this Contract [\*\*\*...\*\*\*].
- (D) If Contractor is [\*\*\*...\*\*\*] pursuant to Section 11.1.1(C), Customer, [\*\*\*...\*\*\*], may: (i) [\*\*\*...\*\*\*]; (ii) [\*\*\*...\*\*\*]; and/or (iii) [\*\*\*...\*\*\*], provide Contractor with [\*\*\*...\*\*\*], without prejudice to any of Customer's other rights under this Contract.
- (E) [\*\*\*...\*\*\*] shall be [\*\*\*...\*\*\*], including [\*\*\*...\*\*\*], through a [\*\*\*...\*\*\*] at least [\*\*\*...\*\*\*].
- (F) If Contractor is [\*\*\*...\*\*\*] set forth in Section 11.1.1(E), Customer, [\*\*\*...\*\*\*], may: (i) [\*\*\*...\*\*\*]; (ii) [\*\*\*...\*\*\*]; or (iii) [\*\*\*...\*\*\*].

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#### 11.1.2 Recurring Launch Vehicle Qualification Criteria

- (A) To the extent [\*\*\*...\*\*\*] (if involving a [\*\*\*...\*\*\*], such [\*\*\*...\*\*\*] will be deemed to include [\*\*\*...\*\*\*]) has [\*\*\*...\*\*\*] in the flight [\*\*\*...\*\*\*], then Customer, [\*\*\*...\*\*\*].
  - (B) [\*\*\*...\*\*\*] percent ([\*\*\*...\*\*\*]%).
  - (C) If Contractor is [\*\*\*...\*\*\*] set forth in Section 11.1.2 (B), [\*\*\*...\*\*\*]: (i) [\*\*\*...\*\*\*]; (ii) [\*\*\*...\*\*\*]; and/or (iii) [\*\*\*...\*\*\*] the requirements set forth in Section 11.1.2 (B).
- 11.1.3 Except as otherwise indicated in Section 11.1, the Dispenser shall not be required to be flown on any of the missions provided for in this Section 11.1, however Contractor shall verify the Dispenser's compliance with the requirements of the SOW.
- 11.1.4 The Optional Services, to the extent applicable, shall not be required to be flown on any of the missions provided for in this Section 11.1, however Contractor shall verify compliance of the applicable Optional Services with the corresponding SOW requirements.

#### 11.2 Conditions Applicable to Non-Recurring and Recurring Launch Vehicle Qualification Criteria.

If Contractor fails to qualify (with respect to non-recurring criteria) or maintain (with respect to recurring criteria) the relevant qualification criteria provided for in Section 11.1, the following shall apply:

- 11.2.1 With the exception of a Force Majeure event, any Contractor delay provided for in Section 11.1 that results in the postponement of a Launch Date or Launch Slot for any Launch Service shall be treated as a Contractor launch schedule adjustment in accordance with Section 6.2.
- 11.2.2 Where Contractor's failure to achieve or maintain one or more qualification criteria in Section 11.1 provides Customer the right to postpone a Launch Service, including the applicable Launch Slot or Launch Date, such postponement: (i) shall be without application of any Customer delay attribution provided for in Section 6.1; (ii) any affected Payment Milestones shall be accordingly adjusted; (iii) any affected Launch Services shall be rescheduled subject to available Launch Opportunities and in accordance with the launch manifest policy set forth in Section 5.4; and (iv) at no increase to a Launch Service Price or the Contract Price.
- 11.2.3 If Contractor fails to achieve or maintain the Launch Vehicle's mass to orbit and volumetric performance requirements in the Launch Interface Requirements Document (forming part of the SOW) and Contractor is compelled to Launch fewer than [\*\*\*...\*\*\*] Satellites per Satellite Batch: (i) Contractor shall perform not more than [\*\*\*...\*\*\*] additional Launch Service intended to Launch that number of Satellites that Contractor did not previously Launch (due to the Launch Vehicle performance issues described above), up to a maximum of [\*\*\*...\*\*\*] additional Satellites, in accordance with the requirements of the SOW, with such additional Launch Service to be performed no later than [\*\*\*...\*\*\*] months following completion of the Launch Campaign Period and at no increase to the Contract Price; and (ii) the reference in Section 16.1 and 16.1.4 to "failure of [\*\*\*...\*\*\*] or more Satellites" will be adjusted to reflect the number of Satellites per Satellite Batch that can be accommodated by the Launch Vehicle's mass to orbit and volumetric performance capabilities.

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### 11.3 Notification of Material Change or Non-Compliance .

Contractor shall notify Customer of any:

- (A) proposed material change ( *i.e.*, any change that impacts the qualification status of a Launch Vehicle, or its compliance with the requirements of the SOW) (a “Material Change”); or
- (B) a non-compliance with the requirements of the SOW a (“Non-Compliance”),

in each case with respect to: (i) mission-specific designs, parts, processes, failures, defects and documentation; (ii) any configuration of the Launch Vehicle, Dispenser and/or the demonstrated flight domain; or (iii) ground or Launch Site elements, within [\*\*\*...\*\*\*] Business Days of the decision to implement the Material Change but in no instance after the Material Change itself has been implemented, and with respect to a Non-Compliance, as soon as practicable and in any event within [\*\*\*...\*\*\*] Business Days. Should Customer so request, Contractor shall provide Customer a briefing during which Contractor shall describe the Material Change, provide the basis for the Material Change, outline the testing/qualification plan for the Material Change, and describe the impact to the Launch Vehicle due to the Material Change. [\*\*\*...\*\*\*].

### 11.4 Failure Review Board .

If any configuration of the Falcon 9, or its derivatives (with or without a Dispenser), experiences Launch Failure, then Contractor shall only perform the remaining Launch Services under this Contract after the most probable cause of the failure has been identified and corrective actions have been implemented to the satisfaction of the applicable failure review board (the “Failure Review Board”) convened by Contractor to evaluate the root cause of such failure. If Contractor has not already convened a Failure Review Board to evaluate such failure or underperformance, then Customer may give written notice to Contractor requesting that a Failure Review Board be convened. The Failure Review Board shall consist of those technical disciplines necessary to assess the failure, its cause and necessary corrective action, if any, required for future launches. Subject to applicable [\*\*\*...\*\*\*]. Customer, Subject to applicable [\*\*\*...\*\*\*]. Contractor shall [\*\*\*...\*\*\*] that are provided to [\*\*\*...\*\*\*].

## Article 12

### **PERMITS AND APPROVALS AND COMPLIANCE WITH UNITED STATES GOVERNMENT REQUIREMENTS**

#### 12.1 Compliance with Requirements .

Contractor has executed or, [\*\*\*...\*\*\*] months prior to the first Launch Date, shall have executed, agreements with the required United States Government agencies for use of United States Government-owned property and facilities relating to the Launch Site. Customer and Contractor agree that they shall comply with the United States Government’s laws, regulations, policies and directives as they relate to the performance of this Contract. Contractor shall provide to Customer reasonable notice (in writing) of the requirements specific to access and operate at the Launch Site. The Parties shall, before Launch, execute and deliver the Agreement for Waiver of Claims and Assumption of Responsibility, the execution of which is required by the United States Department of Transportation (14 C.F.R. Section 440.17(c)) as a condition of granting Contractor’s license to conduct Launch Activities and Launch the Satellites (“Government Cross-Waiver”).

- 12.1.1 Government Need. Customer and Contractor agree that, in the event of a DO/DX Launch that necessitates the postponement of any of Customer’s Launch Services, Contractor shall promptly notify Customer of the delay(s) and reschedule the affected Launch Service within the next available Launch Opportunity and in accordance with Section 5.4. Neither the United States Government nor the Contractor shall be liable to Customer for any costs or damages, including any direct, indirect, special, incidental or consequential damages or any other revenue or business injury or loss, arising out of a delay caused by such priority use of property or personnel.

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12.2 Compliance with U.S. Government Export/Import Statutes and Regulations.

- 12.2.1 Compliance with Statutes and Regulations. Each Party hereby acknowledges that it shall comply with all applicable statutes and regulations relating to the export and import of commodities, services or technical data out of and into the United States of America.
- 12.2.2 Transfers of Technical Data. Each Party shall be responsible for compliance with applicable United States Government regulations relating to the transfer of technical data to the other Party or to Third Parties and Related Third-Parties.
- 12.2.3 Notification Regarding Personnel. Customer and Contractor hereby agree to identify and promptly notify the other Party, its Foreign Person employees, Foreign Person employees of its Related Third Parties and Foreign Person consultants of any of them who will participate in, or receive any technical data or defense services in connection with the performance of this Contract.
- 12.2.4 Refusal to Admit or Transmit Information to Foreign Persons Not Covered. Customer acknowledges that Contractor must refuse to admit to any meeting and refuse to transmit any technical data or provide any defense services, to a Foreign Person participant who is not covered by an applicable license or agreement issued by the United States Government and duly executed by the appropriate parties.

Article 13  
**CHANGES**

13.1 Changes Generally .

Customer may, at any time, direct a change within the general scope of this Contract ("Change Order").

13.2 Change Order Process .

Prior to initiating a Change Order, Customer shall issue a written request to Contractor for a proposal. Within [\*\*\*...\*\*\*] Days of Customer's written request (or such longer period as Customer and Contractor may reasonably agree to based on the scope of the Change Order), Contractor shall provide Customer a written proposal for implementation of the contemplated Change Order, to include for each defined task: (i) [\*\*\*...\*\*\*]; (ii) [\*\*\*...\*\*\*]; and (iii) [\*\*\*...\*\*\*]. Contractor's proposal shall also include any proposed changes to the Launch Slot or Launch Date for any relevant Launch Service, the Milestones, the Milestone Payments or the SOW.

13.3 Contract Amendment .

After receipt of Customer's written approval of Contractor's proposal submitted pursuant to Section 13.2, the Change Order shall be deemed to be a firm fixed price adjustment to the Contract and Contractor shall promptly proceed with the Change Order, and as applicable, the Parties shall execute any necessary amendment to this Contract in accordance with Section 24.1 (Amendment) within [\*\*\*...\*\*\*] Days of Customer's initiation of a Change Order. For the avoidance of doubt, if a Change Order is not ultimately agreed to between the Parties, it shall not otherwise alter the obligations of the Parties hereunder.

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Article 14  
**INDEMNITY, EXCLUSION OF WARRANTY, WAIVER OF LIABILITY  
AND ALLOCATION OF CERTAIN RISKS**

**14.1 NO REPRESENTATIONS OR WARRANTIES.**

EXCEPT AS SET FORTH IN ARTICLE 7, CONTRACTOR HAS NOT MADE NOR DOES IT MAKE ANY REPRESENTATION OR WARRANTY, WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF DESIGN, OPERATION, WORKMANSHIP, RESULT, CONDITION, QUALITY, SUITABILITY OR MERCHANTABILITY OR OF FITNESS FOR USE OR FOR A PARTICULAR PURPOSE, ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, WITH RESPECT TO THE LAUNCH VEHICLE, SUCCESS OF ANY LAUNCH OR OTHER PERFORMANCE OF ANY LAUNCH SERVICE HEREUNDER.

**14.2 Waiver of Liability.**

- 14.2.1 Contractor and Customer hereby agree to a reciprocal waiver of liability pursuant to which each Party agrees not to bring a claim or sue the other Party, the United States Government and its contractors and subcontractors at every tier or Related Third Parties of the other Party for any property loss or damage it sustains including, but not limited to, in the case of Customer, loss of or damage to the Satellites, or any other property loss or damage, personal injury or bodily injury, including death, sustained by any of its directors, officers, agents and employees or Related Third Parties, arising in any manner in connection with the performance of or activities carried out pursuant to this Contract, or other activities in or around the Launch Site or Satellite processing area, or the operation or performance of the Launch Vehicle or the Satellites. Such waiver of liability applies to all damages of any sort or nature, including but not limited to any direct, indirect, special, incidental or consequential damages or other loss of revenue or business injury or loss such as costs of effecting cover, lost profits, lost revenues, or costs of recovering the Satellites, from damages to the Satellites before, during or after Launch or from the failure of the Satellites to reach their planned orbit or operate properly.
- 14.2.2 Claims of liability are waived and released regardless of whether loss, damage or injury arises from the acts or omissions, negligent or otherwise, of either Party or its Related Third Parties. This waiver of liability shall extend to all theories of recovery, including in contract for property loss or damage, tort, product liability and strict liability. In no event shall this waiver of liability prevent or encumber enforcement of the Parties' contractual rights and obligations to each other as specifically provided in this Contract.
- 14.2.3 Contractor and Customer shall each extend the waiver and release of claims of liability as provided in Sections 14.2.1 and 14.2.2 to its Related Third Parties (other than employees, directors and officers) by requiring them to waive and release all claims of liability they may have against the other Party, its Related Third Parties, and the United States Government and its contractors and subcontractors at every tier and to agree to be responsible for any property loss or damage, personal injury or bodily injury, including death, sustained by them arising in any manner in connection with the performance of or activities carried out pursuant to this Contract, or other related activities in or around the Launch Site or Satellite processing area, or the operation or performance of the Launch Vehicle or the Satellites.

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- 14.2.4 The waiver and release by each Party and its Related Third Parties of claims of liability against the other Party and the Related Third Parties of the other Party extends to the successors and assigns, whether by subrogation or otherwise, of the Party and its Related Third Parties. Each Party shall obtain a waiver of subrogation and release of any right of recovery against the other Party and its Related Third Parties from any insurer providing coverage for the risks of loss for which the Party hereby waives claims of liability against the other Party and its Related Third Parties.
- 14.2.5 In the event of any inconsistency between the provisions of this Section 14.2 and any other provisions of this Contract, the provisions of this Section 14.2 shall take precedence.

14.3 Indemnification - Property Loss and Damage and Bodily Injury.

Contractor and Customer each agree to defend, hold harmless and indemnify the other Party and its Related Third Parties, for any liabilities, costs and expenses (including attorneys' fees, costs and expenses), arising as a result of claims brought by Related Third Parties of the indemnifying Party, for property loss or damage, personal injury or bodily injury, including death, sustained by such Related Third Parties, arising in any manner in connection with the activities carried out pursuant to this Contract, other activities in and around the Launch Site or the Satellite processing area, or the operation or performance of the Launch Vehicle or the Satellites. Such indemnification applies to any claim for direct, indirect, special, incidental or consequential damages or other loss of revenue or business injury or loss, including but not limited to costs of effecting cover, lost profits or lost revenues, resulting from any loss of or damage to the Satellites before, during, or after Launch or from the failure of the Satellites to reach their planned orbit or operate properly.

- 14.3.1 To the extent that claims of liability by Third Parties are not covered by the third party liability insurance referred to in Section 15.1 or an insurance policy of either Contractor or Customer or are not eligible for payment by the United States Government (as provided in Section 14.4), Contractor will defend, hold harmless and indemnify Customer and its Related Third Parties from any and all claims of Third Parties, for property loss or damage, personal injury or bodily injury, including death arising in any manner from the processing, operation, testing or performance of the Launch Vehicle.
- 14.3.2 To the extent that claims of liability by Third Parties are not covered by the third party liability insurance referred to in Section 15.1 or an insurance policy of either Contractor or Customer or are not eligible for payment by the United States Government (as provided in Section 14.4), Customer will defend, hold harmless and indemnify Contractor and its Related Third Parties for any and all claims of Third Parties, for property loss or damage, personal injury or bodily injury, including death, arising in any manner from the processing, testing, operation or performance of the Satellites, or loss resulting from any loss of or damage to the Satellites before or after Launch or from the failure of the Satellites to reach their planned orbit or operate properly.
- 14.3.3 Notwithstanding Sections 14.3.2 and 14.3.3 above, Contractor shall not be obligated to defend, hold harmless or indemnify Customer for any claim brought by a Third Party against Customer resulting from any damage to or loss of the Satellites, whether sustained before or after Launch and whether due to the operation, performance, non-performance or failure of the Launch Vehicle or due to any other causes. Customer shall defend, hold harmless and indemnify Contractor for any claims brought by Third Parties against Contractor for damage to or loss of the Satellites, whether sustained before or after Launch or whether due to the operation, performance, non-performance or failure of the Launch Vehicle or due to other causes.

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- 14.3.4 The indemnification for property loss or damage, personal injury or bodily injury provided by this Section 14.3 shall be available regardless of whether such loss, damage or injury arises from the acts or omissions of the Party entitled to indemnification, or its Related Third Parties, as the case may be, unless if due to willful misconduct.
- 14.3.5 The right of either Party or Related Third Parties to indemnification under this Article is not subject to subrogation or assignment and either Party's obligation set forth herein to indemnify the other Party or Related Third Parties extends only to that Party or those Related Third Parties and not to others who may claim through them by subrogation, assignment or otherwise.

14.4 Indemnification by United States Government.

- 14.4.1 The Parties recognize that under the US Commercial Space Launch Act (the "CSLA") and subject thereto, the Secretary of Transportation shall, to the extent provided in advance in appropriations acts or to the extent there is enacted additional legislative authority to provide for the payment of claims, provide for the payment by the United States Government of successful claims (including reasonable expenses of litigation or settlement) of a Third Party against Contractor or its subcontractors, or Customer or its contractors or subcontractors, resulting from activities carried out pursuant to a license issued or transferred under the CSLA for death, bodily injury, or loss of or damage to property resulting from activities carried out under the license, but only to the extent that the aggregate of such successful claims arising out of the Launch:
- (A) is in excess of the amount of insurance or demonstration of financial responsibility required of Contractor under its license issued pursuant to the CSLA; and
  - (B) is not in excess of the level that is \$1,500,000,000 (plus any additional sums necessary to reflect inflation occurring after January 1, 1989) above the required amount of insurance or demonstration of financial responsibility required by the CSLA.
- 14.4.2 Contractor makes no representation or warranty that any payment of claims by the United States Government will be available pursuant to the CSLA. Contractor's obligation is to make commercially Reasonable Efforts to obtain such payment as may be available from the United States Government.

14.5 Indemnification - Intellectual Property Infringement.

- 14.5.1 Contractor Indemnification Contractor shall indemnify, defend and hold harmless Customer, its Related Third Parties, subsidiaries and Affiliates, its subcontractors (if any), their respective officers, employees, agents, servants and assignees, from and against all losses, damages, liabilities, settlements, penalties, fines, costs and expenses (including reasonable attorneys' fees and expenses) arising out of or resulting from any claim, suit or other action or threat by a Third Party arising out of an allegation that: (i) Contractor's performance under this Contract; (ii) the design, manufacture or operation of the Launch Vehicle, Dispenser or Contractor's provision of Launch Services; or (iii) Customer's Exploitation of the Contractor IP, infringes any Third Party's Intellectual Property Rights ("Intellectual Property Claim").

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- 14.5.2 Contractor Resolution or Mitigation If Contractor's performance under this Contract, the design, manufacture or operation of the Launch Vehicle, Dispenser or Contractor's provision of Launch Services, or any part thereof is enjoined or otherwise prohibited as a result of an Intellectual Property Claim, Contractor shall, at its option and expense, (i) resolve the matter so that the injunction or prohibition no longer pertains, (ii) procure for Customer the right to use the infringing item, and/or (iii) modify the infringing item so that it becomes non-infringing while remaining in compliance with the requirements of this Contract. Customer shall, at Contractor's expense, reasonably cooperate with Contractor to mitigate or remove any infringement. If Contractor is unable to accomplish (i), (ii) or (iii) as stated above, Customer shall have the right to terminate any or all of the unperformed Launch Services under this Contract and receive a refund of all payments associated thereto.
- 14.5.3 Combinations and Modifications. Contractor shall have no liability under Section 14.5.1 or Section 14.5.2 for any Intellectual Property Claim to the extent arising from (i) use of any technology, service or other deliverable furnished by Contractor to Customer under this Contract in combination with other items not provided, recommended, or approved (in writing) by Contractor, (ii) modifications of any technology, service or other deliverable after delivery by a person or entity other than Contractor unless authorized by written directive or instructions furnished by Contractor to Customer under this Contract or (iii) the compliance of any technology, service or other deliverable with specific designs, specifications or instructions of Customer.
- 14.5.4 Customer Indemnification Customer shall defend, hold harmless and indemnify Contractor and its Related Third Parties, subsidiaries and Affiliates, its subcontractors (if any), their respective officers, employees, agents, servants and assignees from and against all losses, damages, liabilities, settlements, penalties, fines, costs and expenses (including reasonable attorneys' fees and expenses) arising out of or resulting from any and all Intellectual Property Claims resulting from the infringement, or claims of infringement, of the Intellectual Property Rights of a Third Party, that may arise from the design, manufacture, or operation of the Satellites, ground support equipment, software and related hardware and equipment or an Intellectual Property Claim alleging that the Contractor aided or enabled infringement in the design, manufacture, or operation of the Satellites by the furnishing of Launch Services.

14.6 Rights and Obligations.

The rights and obligations specified in Sections 14.3 and 14.5 shall be subject to the following conditions:

- 14.6.1 The Party seeking indemnification shall promptly advise the other Party in writing of the filing of any suit, or of any written or oral claim alleging an infringement of any Related Third Party's or any Third Party's rights, upon receipt thereof, and shall provide the Party required to indemnify, at such Party's request and expense, with copies of all relevant documentation.
- 14.6.2 The Party seeking indemnification shall not make any admission nor shall it reach a compromise or settlement without the prior written approval of the other Party, which approval shall not be unreasonably withheld, conditioned or delayed.
- 14.6.3 The Party required to indemnify, defend and hold the other harmless shall assist in and shall have the right to assume, when not contrary to the governing rules of procedure, the defense of any claim or suit or settlement thereof, and shall pay all reasonable litigation

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and administrative costs and expenses, including attorneys' fees, incurred in connection with the defense of any such suit, shall satisfy any judgments rendered by a court of competent jurisdiction in such suits, and shall make all settlement payments.

- 14.6.4 The Party seeking indemnification may participate in any defense at its own expense, using counsel reasonably acceptable to the Party required to indemnify, provided that there is no conflict of interest and that such participation does not otherwise adversely affect the conduct of the proceedings.

14.7 Inconsistency with Government Agreement.

In the event of any inconsistency between any provision of this Article 14 and Article 15, this Article 14 shall take precedence as between the Parties.

14.8 Authority to Destroy Launch Vehicle.

The range safety officer or equivalent is hereby authorized to destroy, without liability or indemnity to Customer or Customer's Related Third Parties, the Launch Vehicle and the Satellites in the event that such action is determined in such range safety officer's or equivalent's sole discretion to be necessary to avoid damage to persons or property. Any operation of the Launch Vehicle automatic destruct system that causes the destruction of the Launch Vehicle or Satellites shall also be without liability to Customer or Customer's Related Third Parties.

14.9 Limitation of Liability.

EXCEPT IN INSTANCES OF WILLFUL MISCONDUCT, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY UNDER OR IN CONNECTION WITH THIS CONTRACT UNDER ANY LEGAL OR EQUITABLE THEORY FOR DIRECT, INDIRECT, SPECIAL, CONSEQUENTIAL, EXEMPLARY, INCIDENTAL OR PUNITIVE DAMAGES, OR INDEMNITIES OF ANY KIND, FOR THE COST OF PROCUREMENT OF SUBSTITUTE SERVICES OR FOR LOST REVENUE OR PROFIT ARISING OUT OF OR IN CONNECTION WITH THIS CONTRACT HOWSOEVER CAUSED, WHETHER BASED IN CONTRACT, TORT OR OTHERWISE, INCLUDING NEGLIGENCE, PRODUCT LIABILITY OR STRICT LIABILITY. EXCEPT FOR CONTRACTOR'S INDEMNIFICATION OBLIGATIONS PROVIDED FOR IN SECTION 14.5, CONTRACTOR'S TOTAL AND CUMULATIVE LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL NOT EXCEED THE SUM OF:

- (i) IF [\*\*\*...\*\*\*] BY CONTRACTOR, [\*\*\*...\*\*\*] BY CUSTOMER [\*\*\*...\*\*\*] BY CUSTOMER [\*\*\*...\*\*\*]; OR
- (ii) IF [\*\*\*...\*\*\*] BY CONTRACTOR, [\*\*\*...\*\*\*] BY CUSTOMER [\*\*\*...\*\*\*] BY CONTRACTOR [\*\*\*...\*\*\*].

14.10 The Parties acknowledge that the amounts payable hereunder are based in part on the limitations set forth in this Article 14 and that such limitations are a bargained-for and essential part of this Contract. EXCEPT AS EXPRESSLY PROVIDED IN THIS CONTRACT, THIS LIMITATION OF LIABILITY DOES NOT APPLY TO CLAIMS BASED ON FRAUD, WILLFUL MISREPRESENTATION OR WILLFUL MISCONDUCT. CONSISTENT WITH THIS LIMITATION OF LIABILITY, EACH PARTY SHALL USE REASONABLE EFFORTS TO ENSURE THAT ITS INSURER(S) WAIVE ALL RIGHTS OF SUBROGATION AGAINST THE OTHER PARTY.

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Article 15  
**INSURANCE**

15.1 Third Party Liability Insurance.

Contractor shall procure and maintain in effect insurance for third party liability to provide for the payment of claims resulting from property loss or damage or bodily injury, including death, sustained by Third Parties caused by an occurrence resulting from Insured Launch Activities. The insurance shall have limits in amounts required by the Office of the Associate Administrator for Commercial Space Transportation by license issued to Contractor pursuant to the CSLA and shall be subject to standard industry exclusions and/or limitations, including, but not limited to, exclusions and/or limitations with regard to terrorism. Coverage for damage, loss or injury sustained by Third Parties arising in any manner in connection with Insured Launch Activities shall attach upon arrival of the Satellites at the Launch Site or the Satellite processing facility (wherever located), whichever occurs first, and will terminate upon the earlier to occur of the return of all parts of the Launch Vehicle to earth or twelve (12) months following the date of Launch, unless the Satellites are removed from the Satellite processing facility other than for the purpose of transportation to the Launch Site or are removed from the Launch Site other than by Launch, in which case, coverage shall extend only until such removal. Such insurance shall not cover loss of or damage to the Satellites even if such claim is brought by any Third Party or Related Third Parties. Such insurance also shall not pay claims made by the United States Government for loss of or damage to United States Government property in the care, custody and control of Customer or Contractor. The cost of such insurance is included within the Launch Price.

15.2 Insurance Required by Launch License.

Contractor shall provide such insurance as is required by the launch license issued by the United States Department of Transportation for loss of or damage to United States Government property. The cost of insurance as required by the launch license is included in the Launch Price.

15.3 Miscellaneous Requirements.

The third party liability insurance shall name as named insured Contractor and as additional insured Customer and the respective Related Third Parties of the Parties identified by each Party, the United States Government and any of its agencies and such other persons as Contractor may determine. Such insurance shall provide that the insurers shall waive all rights of subrogation that may arise by contract or at law against the named insured and any additional insured.

15.4 Launch and In-Orbit Insurance.

Contractor shall provide customary support to assist Customer in obtaining Launch and In-Orbit Insurance, to the extent obtained by Customer, including: (i) supporting Customer with all necessary presentations (oral, written or otherwise), including attendance and participation in such presentations where requested by Customer; (ii) providing on a timely basis all reasonable and appropriate technical information, data and documentation; and (iii) providing documentation and answers to insurer and underwriter inquiries. In addition, Contractor shall provide any other certifications, confirmations or other information with respect to the Launch Vehicle as reasonably required by Customer's Launch and In-Orbit Insurance insurers and underwriters and shall take any other action reasonably requested by Customer or any such insurers or underwriters that is necessary or advisable in order for Customer to obtain and maintain Launch and In-Orbit Insurance on reasonable and customary terms. For the avoidance of doubt, Contractor shall not bind any first party launch and in-orbit risk insurance for any of the Launch Services to be provided for under this Contract without the prior written approval of the Customer, which shall not be unreasonably withheld. Excluding third-party launch liability insurance (which shall be purchased and maintained by Contractor), insurance coverage for the Satellites, Customer property, equipment, and personnel (and the property, equipment, or personnel of Customer's Related Third Parties) and any other insurance contemplated herein, if purchased by Customer, shall include an express waiver of subrogation as to Contractor and its Related Third Parties.

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15.5 Cooperation with Regard to Insurance.

Each Party agrees to cooperate with the other Party in obtaining relevant reports and other information in connection with the presentation by either Party of any claim under the insurance required by this Article 15.

15.6 Assistance with Claims for Insurance Recovery.

Contractor shall cooperate with and provide reasonable support to Customer in making and perfecting claims for insurance recovery and as to any legal proceeding associated with any claim for insurance recovery. Such support shall include: (i) providing on-site inspections as required by Customer's insurers and underwriters; (ii) participating in review sessions with a competent representative selected by the insurers and underwriters to discuss any continuing issue relating to such occurrence, including information conveyed to either Party; (iii) using commercially Reasonable Efforts to secure access for the insurers and underwriters to all information used in or resulting from any investigation or review of the cause or effects of such occurrence; (iv) making available for inspection and copying all information reasonably available to Contractor that is necessary to establish the basis of a claim; and (v) supporting Customer in establishing the basis of any Total Loss, Constructive Total Loss or Partial Loss. The cooperation and support provided for in this Section 15.6 is included in the Launch Price. Customer's rights and Contractor's obligations set forth in this Article 15 are subject to applicable regulatory and confidentiality requirements.

15.7 Evidence of Insurance.

For any of the insurance policies or waivers of subrogation required under this Contract, each Party shall provide the other Party with a certificate evidencing such insurance or waiver within [\*\*\*...\*\*\*] Days of a written request by the other Party and require its insurer(s) to provide the other Party written notice no later than [\*\*\*...\*\*\*] Days before cancellation or a material change in policy coverage or waiver.

Article 16  
**REFLIGHT**

16.1 [\*\*\*...\*\*\*].

Customer shall [\*\*\*...\*\*\*], by written notice to Contractor, [\*\*\*...\*\*\*] (i) [\*\*\*...\*\*\*] with respect to [\*\*\*...\*\*\*]; or (ii) [\*\*\*...\*\*\*]:

- 16.1.1 Customer shall provide written notice to Contractor [\*\*\*...\*\*\*] no later than [\*\*\*...\*\*\*] months [\*\*\*...\*\*\*] to be provided for under this Contract.
- 16.1.2 The cost of [\*\*\*...\*\*\*] is [\*\*\*...\*\*\*] US dollars (\$[\*\*\*...\*\*\*]).
- 16.1.3 Upon receipt of Customer's notice [\*\*\*...\*\*\*], Contractor shall [\*\*\*...\*\*\*] to Customer [\*\*\*...\*\*\*] and Customer shall [\*\*\*...\*\*\*] on or before [\*\*\*...\*\*\*] Days after receipt of such [\*\*\*...\*\*\*].
- 16.1.4 If [\*\*\*...\*\*\*] and: (i) [\*\*\*...\*\*\*] with respect to [\*\*\*...\*\*\*]; or (ii) [\*\*\*...\*\*\*], Contractor shall [\*\*\*...\*\*\*], if Customer [\*\*\*...\*\*\*] provided for in this Section 16.1 [\*\*\*...\*\*\*]), then Contractor shall [\*\*\*...\*\*\*] as specified by Customer.
- 16.1.5 Contractor shall, [\*\*\*...\*\*\*] associated with [\*\*\*...\*\*\*] within [\*\*\*...\*\*\*] months of [\*\*\*...\*\*\*] by Customer, [\*\*\*...\*\*\*] as may be determined by [\*\*\*...\*\*\*]. If [\*\*\*...\*\*\*] under this Section 16.1 [\*\*\*...\*\*\*] by Customer, such [\*\*\*...\*\*\*] within [\*\*\*...\*\*\*] months [\*\*\*...\*\*\*] by Customer, [\*\*\*...\*\*\*] as may be determined by Customer.

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- 16.1.6 [\*\*\*...\*\*\*] by Contractor for [\*\*\*...\*\*\*] shall be [\*\*\*...\*\*\*] with the requirements and specifications of the [\*\*\*...\*\*\*], provided however, [\*\*\*...\*\*\*] with the requirements of the [\*\*\*...\*\*\*] if the Contractor [\*\*\*...\*\*\*], in which case:  
(i) Contractor shall [\*\*\*...\*\*\*] in accordance with Article [\*\*\*...\*\*\*]; and (ii) [\*\*\*...\*\*\*] shall be [\*\*\*...\*\*\*] in accordance with Section [\*\*\*...\*\*\*]. [\*\*\*...\*\*\*] by Customer under this Section 16.1.6 shall be [\*\*\*...\*\*\*] in accordance with [\*\*\*...\*\*\*] and, if applicable, Article [\*\*\*...\*\*\*].
- 16.1.7 [\*\*\*...\*\*\*] Days [\*\*\*...\*\*\*] and extend for [\*\*\*...\*\*\*] until the earlier of: (i) [\*\*\*...\*\*\*]; or (ii) [\*\*\*...\*\*\*].
- 16.1.8 [\*\*\*...\*\*\*] provided for in this Section 16.1 shall not include [\*\*\*...\*\*\*].
- 16.1.9 If Customer [\*\*\*...\*\*\*], and following Contractor's [\*\*\*...\*\*\*], the conditions specified in Section [\*\*\*...\*\*\*] have not occurred, then Contractor shall [\*\*\*...\*\*\*] to Customer.
- 16.1.10 If Contractor is [\*\*\*...\*\*\*] provided for in Section [\*\*\*...\*\*\*], and as a result, Contractor is [\*\*\*...\*\*\*] fewer than [\*\*\*...\*\*\*], the reference to [\*\*\*...\*\*\*] in Section [\*\*\*...\*\*\*] will be [\*\*\*...\*\*\*] that Contractor can [\*\*\*...\*\*\*].

16.2 [\*\*\*...\*\*\*].

Customer shall [\*\*\*...\*\*\*], by written notice to Contractor, [\*\*\*...\*\*\*]. [\*\*\*...\*\*\*]:

- 16.2.1 Customer shall provide written notice to Contractor [\*\*\*...\*\*\*] no later than [\*\*\*...\*\*\*] months prior to [\*\*\*...\*\*\*]; or  
(ii) [\*\*\*...\*\*\*] if Customer [\*\*\*...\*\*\*] for the applicable [\*\*\*...\*\*\*] prior to [\*\*\*...\*\*\*] such that Customer [\*\*\*...\*\*\*] within [\*\*\*...\*\*\*] months [\*\*\*...\*\*\*].
- 16.2.2 The price [\*\*\*...\*\*\*] percent ([\*\*\*...\*\*\*]%) [\*\*\*...\*\*\*].
- 16.2.3 Upon receipt of Customer's notice of [\*\*\*...\*\*\*], Contractor shall [\*\*\*...\*\*\*] to Customer [\*\*\*...\*\*\*] and Customer shall [\*\*\*...\*\*\*] on or before [\*\*\*...\*\*\*] ([\*\*\*...\*\*\*] Days after receipt of such invoice.
- 16.2.4 If [\*\*\*...\*\*\*] is [\*\*\*...\*\*\*], then Contractor shall [\*\*\*...\*\*\*] as instructed by Customer.
- 16.2.5 Contractor shall, [\*\*\*...\*\*\*] within [\*\*\*...\*\*\*] ([\*\*\*...\*\*\*] months of [\*\*\*...\*\*\*] by Customer, [\*\*\*...\*\*\*]. If [\*\*\*...\*\*\*] by Contractor under this Contract [\*\*\*...\*\*\*], then [\*\*\*...\*\*\*] must be [\*\*\*...\*\*\*] within [\*\*\*...\*\*\*] ([\*\*\*...\*\*\*] months [\*\*\*...\*\*\*] by Customer, [\*\*\*...\*\*\*] as may be determined by Customer.
- 16.2.6 [\*\*\*...\*\*\*] by Customer for [\*\*\*...\*\*\*] shall be [\*\*\*...\*\*\*] with the requirements and specifications of [\*\*\*...\*\*\*], provided however, [\*\*\*...\*\*\*] with the requirements of [\*\*\*...\*\*\*] if the Contractor [\*\*\*...\*\*\*], in which case:  
(i) Contractor shall [\*\*\*...\*\*\*] in accordance with Article [\*\*\*...\*\*\*]; and (ii) [\*\*\*...\*\*\*] in accordance with Section [\*\*\*...\*\*\*]. [\*\*\*...\*\*\*] by Customer under this Section 16.2.6 shall be [\*\*\*...\*\*\*] in accordance with [\*\*\*...\*\*\*] and, if applicable, Article [\*\*\*...\*\*\*].
- 16.2.7 [\*\*\*...\*\*\*] of the relevant [\*\*\*...\*\*\*] Days thereafter.
- 16.2.8 [\*\*\*...\*\*\*] provided for in this Section 16.2 shall not include [\*\*\*...\*\*\*].
- 16.2.9 In the event [\*\*\*...\*\*\*] by Customer and the conditions of Section [\*\*\*...\*\*\*], then Contractor shall [\*\*\*...\*\*\*].

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16.2.10 If Contractor [\*\*\*...\*\*\*] provided for in Section [\*\*\*...\*\*\*], and as a result, Contractor [\*\*\*...\*\*\*] fewer than [\*\*\*...\*\*\*], the reference to [\*\*\*...\*\*\*] in Section [\*\*\*...\*\*\*] will be [\*\*\*...\*\*\*] that Contractor can [\*\*\*...\*\*\*].

## Article 17 TERMINATION

### 17.1 Termination by Customer for Convenience.

Prior to each Launch Service, and provided that Customer is not at the time in default of Section 4.4, Customer may terminate this Contract, or any Launch Service(s) under this Contract, for any reason. In the event that Customer exercises its right of termination pursuant to this Section 17.1, Contractor will be entitled to retain the amount specified in Table 17-1 below as of the date of such termination(s) of an applicable Launch Service. If Customer chooses to terminate the entire Contract pursuant to this Section 17.1, the amount set forth in Table 17-1 that Contractor is entitled to retain shall be equal to the cumulative amount associated with the termination of each Launch Service and the Non-Recurring Price under this Contract. Within [\*\*\*...\*\*\*] Days of the date of the termination, Contractor will refund the balance, if any, of payments received by Contractor for the terminated Launch Service(s) which are in excess of the applicable amount reflected in the table below. In the event that payments received by Contractor as of the date of Customer termination hereunder are less than the amount reflected in Table 17-1 below, Customer shall, within [\*\*\*...\*\*\*] Days, remit to Contractor any balance owed.

The applicable amount set forth in Table 17-1 for a termination is the fee charged to excuse Customer's performance. Customer and Contractor agree that the applicable amount set forth below does not constitute a penalty or estimate of future damages, but is a reasonable fee for Contractor excusing Customer performance at various points in time ("Termination Fee").

**TABLE 17-1**

DATE OF TERMINATION BY CUSTOMER	TERMINATION FEE AS A PERCENTAGE OF THE APPLICABLE LAUNCH SERVICE(S) PRICE (RECURRING)	TERMINATION FEE AS A PERCENTAGE OF THE APPLICABLE LAUNCH SERVICE(S) PRICE (NON- RECURRING)
[***...***] to [***... ***] months	[***...***]% at [***...***] increasing to [***...***]% at [***...***] months	[***...***] will result in a Fee Equal
[***...***] months to [***...***] months	[***...***]% at [***...***] months [***...***] increasing to [***...***]% at [***...***] months	Termination at any time will result in a Fee Equal to [***... ***] with respect to
[***...***] months to [***...***] months	[***...***]% at [***...***] months [***...***] increasing to [***...***]% at [***...***] months	Non-Recurring Launch
[***...***] months to [***...***]	[***...***]% at [***...***] months [***...***] increasing to [***...***]% at Launch Date	Service [***...***].

*Where "L" is the then currently designated Launch Date for the relevant Launch Service*

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17.2 Termination by Customer for Contractor Default.

Provided that Customer is not at the time in default of Section 4.4, Customer may terminate any or all of the Launch Service(s) not yet performed under this Contract as a result of a Contractor default set forth in Table 17-2 below. If Customer terminates any unperformed Launch Service(s), Contractor shall within [\*\*\*...\*\*\*] Days refund Customer all Milestone Payments associated with such unperformed Launch Services(s), plus interest at the Contractor Interest Rate. [\*\*\*...\*\*\*] identified in [\*\*\*...\*\*\*]. If [\*\*\*...\*\*\*]: (i) have been [\*\*\*...\*\*\*] to Customer under Article [\*\*\*...\*\*\*]; or (ii) [\*\*\*...\*\*\*] to Customer, [\*\*\*...\*\*\*] to Customer.

**TABLE 17-2**

CONTRACTOR DEFAULT	APPLICABLE CONTRACT PROVISION(S)
<b>Material Breach (Generally)</b> : Failure to perform any material obligation under this Contract	1 – 24 (entire Contract and SOW)
<b>Excessive Launch Postponements</b> : Postponement of a Launch Service, including any notice of postponement of a Launch Service, of more than [***...***] months in the aggregate with respect to any Launch Service	6 (Launch Schedule Adjustments) 11 (Launch Vehicle Qualification)
<b>Launch Vehicle Qualification Failure</b> : Failure to achieve or maintain Launch Vehicle qualification requirements, including associated Customer remedies	11 (Launch Vehicle Qualification)
<b>Contractor Performance Risk</b> : Up to [***...***] months prior to commencement of the Launch Campaign Period, Contractor fails to demonstrate sufficient funds, liquidity or resources (including forecasted revenue) to perform under this Contract or fund [***...***] Days of operations at the then-current cash expenditure rate as evidenced by Contractor's financial statements disclosed pursuant to Section 7.2	7 (Representations & Warranties) 9 (Additional Contractor and Customer Obligations Prior to Launch)

17.3 Termination by Contractor for Customer Payment Failure.

In the event of Customer's failure to make a payment to Contractor when due, except as provided for under Section 4.5 and which has not been cured as provided for under Section 17.4 below, Contractor may terminate the affected Launch Service(s) not yet provided under this Contract and retain all payments received hereunder with respect to such Launch Service(s) not to exceed [\*\*\*...\*\*\*]. Contractor shall reimburse to Customer any portion of the Launch Services Price for the affected Launch Service(s) Price in excess of the foregoing termination liability within [\*\*\*...\*\*\*] Days of the effective date of termination of the applicable Launch Service(s).

17.4 Right to Cure.

With the exception of Excessive Launch Postponements under Article 6 and the failure to achieve the non-recurring Launch Vehicle qualification requirements under Section 11.1.1 any termination under this Article 17 must be preceded by a [\*\*\*...\*\*\*] Day written notification that specifies the default or breach and, if relevant, the right to terminate immediately in the event that the specified default or breach is not or cannot reasonably be cured within [\*\*\*...\*\*\*] Days of such written notice to cure.

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17.5 Nature of Termination Fees.

Both Customer and Contractor agree that the amounts set forth in this Article 17 represent: (i) liquidated damages, and not a penalty, (ii) that actual damages are not adequately ascertainable and that the sums noted represent a reasonable estimate of the damages that would be owed in the event of a material breach or termination for cause, (iii) account for the circumstances existing at the time of this Contract; and (iv) a knowing and considered allocation of risks and fair compensation therefor which may arise in the event of a material breach or termination for cause. Each Party hereby expressly waives, to the extent permitted by applicable law, any defense as to the reasonableness, amount or validity of any remedy provided for this in Contract, including pursuant to this Article 17, on the grounds that such liquidated damages are void as penalties.

Article 18  
**DISPUTE RESOLUTION**

Any dispute, claim, or controversy between the Parties arising out of or relating to this Contract ("Dispute"), including any Dispute with respect to the interpretation, performance, termination, or breach of this Contract or any provision thereof shall be resolved as provided in this Article 18.

18.1 Informal Dispute Resolution.

Prior to the initiation of formal dispute resolution procedures, the Parties shall first attempt to resolve their Dispute informally, in a timely and cost-effective manner, as follows:

- 18.1.1 If, in connection with the performance of this Contract, a Party believes it has a Dispute with the other Party, the disputing Party shall give written notice thereof, which notice will describe the Dispute and may recommend corrective action to be taken by the other Party. Contractor's Launch Program Manager shall promptly consult with Customer's Launch Program Manager in an effort to reach an agreement to resolve the Dispute.
- 18.1.2 In the event that the Contractor's and Customer's Launch Program Managers cannot resolve the Dispute within fifteen (15) Business Days of receipt of written notice, either Party may request that the Dispute be escalated, and the respective positions of the Parties shall be forwarded to the appropriate Executive Vice President (EVP) or equivalent of each Party for resolution of the Dispute.
- 18.1.3 In the event that the Contractor's EVP and Customer's EVP cannot resolve the Dispute within fifteen (15) Business Days of receipt of written notice, either Party may request that the Dispute be escalated, and the respective positions of the Parties shall be forwarded to the Chief Executive Officer (CEO) or equivalent of each Party for resolution of the Dispute.
- 18.1.4 In the event a resolution cannot be reached as provided in Sections 18.1.1, 18.1.2 or 18.1.3 above within a total of [\*\*\*... \*\*\*] Business Days after receipt of the written notice described in Section 18.1.1 above, either Party may proceed in accordance with Section 18.2.

18.2 Litigation.

If any Dispute arising between the Parties cannot be settled pursuant to Section 18.1 (or, if a Party makes a good faith determination that (i) a breach by the other Party is such that a temporary restraining order or other preliminary injunctive relief to enforce its rights or the other Party's obligations under the provisions of this Contract is necessary or (ii) litigation is appropriate to avoid the expiration of an applicable limitations period or to preserve a superior position with respect to creditors), either Party shall have the right to bring suit.

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18.3 Jurisdiction and Venue.

Any suit brought shall be brought in the U.S. District Court for the Eastern District of Virginia, and the Parties hereby waive any objection to that venue and that court's exercise of personal jurisdiction over the case. Each Party hereby expressly waives any and all service of process set forth in Fed. R. Civ. P. Rule 4, and instead, each Party expressly consents to service of notice of the initiation of any action by certified mail, return receipt requested, directed to that Party as set forth in Section 8.3. The Parties hereby irrevocably consent to the exercise of personal jurisdiction by U.S. District Court for the Eastern District of Virginia concerning any Dispute between the Parties. Each Party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any Dispute.

18.4 Enforcement.

Nothing in this Contract precludes a Party that prevails on any claim from initiating litigation in any appropriate forum to enter or enforce a judgment based on the court's award on that claim.

18.5 Continuing Performance.

Pending final resolution of any Dispute (solely during the informal dispute resolution process described in Section 18.1), Contractor shall, unless otherwise directed by Customer in writing, perform all its obligations under this Contract, provided that Customer continues to make undisputed payments as they come due.

Article 19  
**CONFIDENTIALITY**

19.1 Contract Provisions.

Neither Party nor any of its Affiliates, subcontractors, employees, agents or consultants, shall release items of publicity of any kind, including without limitation news releases, articles, brochures, advertisements, prepared speeches, company reports or other information concerning this Contract or Proprietary Information of the other Party hereto, including the confirmation or denial of its negotiation, issuance, award or performance, without the prior express written consent of such other Party hereto.

The obligations set forth in Section 19.1 shall not apply to (i) information that is publicly available from any governmental agency or that is or otherwise becomes publicly available without breach of this Contract; and (ii) subject to Section 19.5 disclosure required by applicable law or regulation, including without limitation, disclosure required by the Securities and Exchange Commission or any securities exchange on which the securities of a Party or its Affiliate is then trading.

19.2 Definition of Proprietary Information.

"Proprietary Information" means all confidential and proprietary information in whatever form transmitted, that is disclosed or made available directly or indirectly by such Party (hereinafter referred to as the "Disclosing Party") to the other Party hereto (hereinafter referred to as the "Receiving Party") and: (i) is identified as proprietary by means of a written legend thereon, disclosed orally as proprietary or is identified as proprietary at the time of initial disclosure and then summarized in a written document; or (ii) is information which the Receiving Party should understand from the nature of the information is confidential to the Disclosing Party. Notes and memoranda and other information prepared by the Receiving Party (but not the Receiving Party's attorneys) that include or are derived from the Disclosing Party's Proprietary Information shall be considered the Disclosing Party's Proprietary Information for all purposes of this Article. Proprietary Information shall not include any information disclosed by a Party that (i) is already known to the Receiving Party at the time of its disclosure, as evidenced by written records of the Receiving Party, without an obligation of confidentiality at the time of disclosure; (ii) is or becomes publicly known through no wrongful act of the Receiving Party; (iii) is independently developed by the Receiving Party as evidenced by written records of the Receiving Party; or (iv) is rightfully obtained by the Receiving Party from any Third Party without restriction and without breach of any confidentiality obligation by such Third Party.

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19.3 Terms for Handling and Use of Proprietary Information .

Subject to Section 19.2, for a period of [\*\*\*...\*\*\*] years after receipt of any Proprietary Information, the Receiving Party shall not disclose Proprietary Information that it obtains from the Disclosing Party to any person or entity except its employees, Affiliates (who are not competitors of the Disclosing Party), attorneys, agents, financing entities, potential and actual joint venture partners, insurance brokers or underwriters and consultants (who, in all cases, are not competitors of the Disclosing Party) who have a need to know, who have been informed of and have agreed in writing (or are otherwise subject to confidentiality obligations consistent with the obligations set forth herein) to abide by the Receiving Party's obligations under this Article 19, and who are authorized pursuant to applicable U.S. export control laws and licenses or other approvals to receive such information. The Receiving Party shall use not less than the same degree of care to avoid disclosure of such Proprietary Information as it uses for its own Proprietary Information of like importance; but in no event less than a reasonable degree of care. Proprietary Information shall be used only for the purpose of performing the obligations under this Contract, or as the Disclosing Party otherwise authorizes in writing.

19.4 Associate Contractor Disclosures .

Any disclosure of Proprietary Information by Customer under this Contract to any Associate Contractor shall be on terms no less restrictive than those set forth in this Article 19, provided that such agreement reference that Contractor is an intended third party beneficiary.

19.5 Legally Required Disclosures .

Notwithstanding the foregoing, in the event that the Receiving Party becomes legally compelled to disclose Proprietary Information of the Disclosing Party (including disclosures necessary or in good faith determined to be reasonably necessary under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended), the Receiving Party shall provide the Disclosing Party with written notice thereof at least four (4) Days in advance of any such disclosure (unless such period is in contravention of a direct governmental order or subpoena) so that the Disclosing Party may seek a protective order or other appropriate remedy, or to allow the Disclosing Party to redact such portions of the Proprietary Information as the Disclosing Party deems appropriate. In any such event, the Receiving Party will disclose only such information as is legally required, and will cooperate with the Disclosing Party (at the Disclosing Party's expense) to obtain proprietary treatment for any Proprietary Information being disclosed.

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19.6 Return of Confidential Information.

Upon the request of the Party having proprietary rights to Proprietary Information, the other Party in possession of such Proprietary Information shall promptly return such Proprietary Information (and any copies, extracts, and summaries thereof) to the requesting Party, or, with the requesting Party's written consent, shall promptly destroy such materials (and any copies, extracts, and summaries thereof), except for one (1) copy which may be retained for legal archive purposes, and shall further provide the requesting Party with written confirmation of same; provided, however, where both Parties have proprietary rights in the same Proprietary Information, a Party shall not be required to return such information to the other Party. Nothing in this Section 19.6 shall require a Party to return or destroy computer files or records containing Proprietary Information if and to the extent such files or records were created in the ordinary course of business pursuant to such Party's automatic archiving and back-up procedures for computerized or word-processed records. The rights and obligations of the Parties under this Article shall survive any return or destruction of Proprietary Information.

19.7 No License.

Except as expressly provided in this Contract, nothing in this Contract shall be construed as granting the Receiving Party whether by implication, estoppel, or otherwise, any license or any right to use any Proprietary Information received from the Disclosing Party, or use any patent, trademark, or copyright now or hereafter owned or controlled by the Disclosing Party.

19.8 Injunctive Relief.

The Parties agree that, in addition to any other rights and remedies that exist under this Contract, in the event of a breach or threatened breach of this Article, the Disclosing Party shall be entitled to seek an injunction prohibiting any such breach. The Parties acknowledge that Proprietary Information is valuable and unique and that disclosure in breach of this Article may result in irreparable injury to the Disclosing Party.

Article 20  
**INTELLECTUAL PROPERTY**

20.1 Customer IP Ownership.

Customer or its licensors shall retain all right, title and interest in and to the Customer IP. Customer shall be solely responsible for all activities relating to the Customer IP, including registration, prosecution, maintenance, enforcement and defense of the Customer IP, including all costs associated therewith.

20.2 Contractor IP Ownership.

Contractor or its licensors shall retain all right, title and interest in and to the Contractor IP. Contractor shall be solely responsible for all activities relating to the Contractor IP, including registration, prosecution, maintenance, enforcement and defense of the Contractor IP, including all costs associated therewith.

20.3 Contractor Rights to Exploit Customer IP.

Customer hereby grants to Contractor a limited, fully paid-up, royalty-free, non-exclusive world-wide and non-transferable (except as part of a sale of the business or by operation of law) license (with right to sublicense to subcontractors) to Exploit Customer IP for the sole purpose of performing its obligations under this Contract.

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20.4 Customer Rights to Exploit Contractor IP.

To the extent the Dispenser and Separation System contain any Contractor IP, Contractor grants to Customer a fully paid up, irrevocable license to Exploit such Contractor IP solely for the NEXT and successor systems. For the avoidance of doubt and without limiting the foregoing, such rights include launching, using, reproducing, operating, maintaining and otherwise creating and implementing NEXT and successor systems thereof but not any Third Party systems.

Customer may sublicense the rights in Section 20.4 to Third Parties or Related Third Parties but only for the purposes authorized in Section 20.4. Any access by any Third Party or Related Third Party to Contractor Intellectual Property relating to the Contractor Intellectual Property will be under terms, including confidentiality terms, no less protective of Contractor than the terms of this Agreement provided that Customer, on a Reasonable Efforts basis, procure from the relevant Third Party or Related Third Party, agreement that Contractor is an intended third party beneficiary.

20.5 Derivative Works.

If either Party or its permitted sublicensees create any derivative works of the other Party's Intellectual Property, such Party shall assign or cause its sublicensee(s) to assign all right, title, and interest in and to such derivative works to the other Party. Notwithstanding the foregoing, each Party will retain licenses to such derivative works pursuant to Sections 20.3 and 20.4.

20.6 Reservation of Rights.

The licenses and rights granted in this Contract by each of the Parties hereto shall not be construed to confer any other rights to any party by implication, estoppel or otherwise as to any Intellectual Property, and the Intellectual Property Rights therein, other than the licenses and rights granted in Sections 20.3 and 20.4. All rights not specifically granted herein are reserved by the applicable Party.

20.7 Software.

To the extent that any Contractor IP consists of Software and is delivered to Customer, then, in addition to any other format in which such Software is delivered, such Software shall also be delivered in source code format.

20.8 Protection of Intellectual Property.

Each Party shall protect all Intellectual Property of the other Party to which it has a right to access such Intellectual Property pursuant to this Contract, or that is or may be otherwise disclosed by such other Party, from disclosure to Third Parties in the same manner in which such Party protects its own Intellectual Property, in accordance with and subject to Article 19.

Article 21  
**RIGHT OF OWNERSHIP AND CUSTODY**

21.1 Contractor Property.

Except for the licenses granted pursuant to Article 20, Customer understands and agrees that at no time does Customer obtain title to or any ownership of or any other legal or equitable right or interest in or to any part of any Launch Vehicle, Separation System, ground support equipment or any Contractor IP contained therein, or in any other property of Contractor, whether real or personal, tangible or intangible, including without limitation hardware used or furnished by Contractor in providing Launch Services under this Contract. Such property of Contractor shall be considered between the Parties to be the property of Contractor.

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## 21.2 Customer Property.

Except for the licenses granted pursuant to Article 20, Contractor understands and agrees that at no time does Contractor obtain title to or any ownership of or any other legal or equitable right or interest in or to the Satellites or any Customer IP contained therein or any ground station or any other element of NEXT or any part thereof including without limitation hardware used or furnished in performing the obligations of Customer hereunder. Such property of Customer shall be considered between the Parties to be the property of Customer.

## Article 22 **FORCE MAJEURE**

22.1 Neither Party shall be liable for any delay in the performance of its obligations under this Contract, or a delay or failure of performance of its first-tier contractor(s), if such delay or failure to perform is due to a Force Majeure event and provided that the affected Party seeking to invoke this Article 22 notifies the other Party in writing within five (5) Business Days after the occurrence of a Force Majeure event (or the date the affected Party reasonably became or should have become aware of the Force Majeure event), including a detailed description of the causes thereof and such Parties' Reasonable Efforts to avoid the Force Majeure event or mitigate the impact thereof, such as establishment of work-around plans, alternate sources, extended operations or other means, including use of alternate viable subcontractors. For the avoidance of doubt, failure by either Party timely to obtain any required governmental license, permit or authorization shall not be deemed a Force Majeure event.

22.2 If a delay or failure in the performance of a Party's obligations under this Contract is due to either Party or their subcontractor performing work under a DO/DX rated contract other than that to be performed under this Contract, such delay will be evaluated pursuant to the terms of this Article 22. For the avoidance of doubt, any delay due to a DO/DX rated order issued before or after EDC, where the specific impact is known or should have reasonably been known by the relevant Party and taken into account in connection with its performance obligations under this Contract, will not be considered a Force Majeure event.

22.3 If a Force Majeure event impacts a Launch Slot for any Launch Service to be performed under this Agreement, the affected Party seeking to invoke this Article 22 shall notify the other Party immediately, and as soon as possible thereafter, provide the information detailed in Section 22.1.

22.4 Any unavailability of a Launch Site or Launch Range for reasons due to the actions or omissions of the competent Launch Site or Launch Range authority and not primarily attributable to Contractor shall be deemed to be a Force Majeure event. For the avoidance of doubt, termination of a Launch Service by the competent Launch Site or Launch Range authority (or by the Launch Vehicle's flight termination system) due to the Launch Vehicle's failure to meet the applicable Contractor and Launch Site or Launch Range safety requirements and parameters that results in the unavailability of a Launch Site or Launch Range shall not be deemed to be a Force Majeure event. Furthermore, lack of compliance with the non-recurring Launch Vehicle qualification criteria provided for in Section 11.1.1(A)(ii) shall not be excused as a Force Majeure event. If requested by the non-affected Party, the affected Party shall provide reasonable evidence or justification supporting a Force Majeure event claimed under this Section 22.4.

22.5 With respect to any Force Majeure event lasting up to [\*\*\*...\*\*\*] months (as applied to independent Force Majeure events in the aggregate or a specific Force Majeure event that temporarily ceases and subsequently re-occurs due to the original circumstances causing such Force Majeure event), the period of performance under this Contract with respect to the affected Launch Service(s) shall be extended without penalty by the duration of the Force Majeure event and Customer's obligation to make payments hereunder with respect to Launch Services due during the period of a Force Majeure event shall be extended for a period equal to the duration of the Force Majeure event without penalty.

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22.6 With respect to any Force Majeure event lasting more than [\*\*\*...\*\*\*] months (as applied to independent Force Majeure events in the aggregate or a specific Force Majeure event that temporarily ceases and subsequently re-occurs due to the original circumstances causing such Force Majeure event), Customer, upon written notice to Contractor, may terminate any affected Launch Service(s) not yet performed under this Contract. In the event of such termination, Contractor shall [\*\*\*...\*\*\*] associated with [\*\*\*...\*\*\*] by Contractor [\*\*\*...\*\*\*]. Any [\*\*\*...\*\*\*] shall be [\*\*\*...\*\*\*] to Customer [\*\*\*...\*\*\*] Days of [\*\*\*...\*\*\*].

#### Article 23 EFFECTIVE DATE OF CONTRACT

23.1 The effective date of this Contract (“EDC”) shall be the date when all of the following conditions have been fulfilled by Customer, as confirmed in writing promptly upon occurrence:

- (A) Signature of the Contract by both Parties, and payment by Customer of an advance payment equal to [\*\*\*...\*\*\*] United States dollars (US\$[\*\*\*...\*\*\*]) of the aggregate Launch Services Price for all Firm Launches, to occur upon the later of: (i) [\*\*\*...\*\*\*], or (ii) [\*\*\*...\*\*\*] Business Days following receipt of Contractor’s invoice (such invoice to be tendered after Contract signature); and
- (B) Execution and award of the Full Scale System Development Contract for Iridium NEXT (“FSD”) by Customer; and
- (C) Closing of a financing facility or short-term financing facility for the funding of all or part of Customer’s payment obligations under the FSD and this Contract.

Within [\*\*\*...\*\*\*] Days of EDC, Customer shall provide a written notice to Contractor that sets forth: (i) designation of the applicable LIRD and Exhibits to this Contract; and (ii) [\*\*\*...\*\*\*] (subject to [\*\*\*...\*\*\*]), [\*\*\*...\*\*\*] if Customer’s [\*\*\*...\*\*\*], otherwise Contractor shall [\*\*\*...\*\*\*] associated with [\*\*\*...\*\*\*].

23.2 Customer’s advance payment referenced in Section 23.1(A) will be applied to amounts due under the Contract at EDC in accordance with Exhibit C.

23.3 If [\*\*\*...\*\*\*] does not occur within [\*\*\*...\*\*\*] months of [\*\*\*...\*\*\*] or such later date that [\*\*\*...\*\*\*] Contractor to Customer within [\*\*\*...\*\*\*] Days and [\*\*\*...\*\*\*].

#### Article 24 MISCELLANEOUS

##### 24.1 Amendment.

Any amendment, modification or change to this Contract, including but not limited to launch requirements, changes in quantity or schedule adjustments, may only be made in writing by authorized representatives of Customer and Contractor.

##### 24.2 Governing Law.

This Contract shall be interpreted, construed and governed, and the rights of the Parties shall be determined, in all respects, according to the laws of the State of New York without reference to its conflicts of laws rules. The provisions of the United Nations Convention for the International Sale of Goods shall not be applicable to this Contract.

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24.3 Waiver of Breach.

The failure of either Party, at any time, to require performance of the other Party of any provision of this Contract shall not waive the requirement for such performance at any time thereafter.

24.4 Assignment General.

This Contract may not be assigned, either in whole or in part, by either Party without the express written approval of the other Party, not to be unreasonably withheld or delayed.

- 24.4.1 By Customer. Notwithstanding the foregoing, Customer may, subject to applicable regulatory and confidentiality limitations, assign or transfer this Contract or all its rights, duties, or obligations hereunder with written notice to Contractor, but without requiring Contractor's approval: (i) to an Affiliate of Customer that has equivalent or greater financial resources as Customer; (ii) to any entity which, by way of merger, consolidation, or any similar transaction involving the acquisition of substantially all the stock, equity or the entire business assets of Customer succeeds to the interests of Customer; provided in either case the assignee, transferee, or successor to Customer has expressly assumed all the obligations of Customer and all terms and conditions applicable to Customer under this Contract and has equivalent or greater financial resources as Customer; (iii) to any designee or customer of Customer or any Affiliate thereof provided that Customer remains primarily liable to Contractor for any payment obligation hereunder; (iv) to any Affiliate of Customer not meeting the requirements of items (i) or (iii), provided that Customer provides to Contractor an Affiliate guarantee addressing the payment obligations of the relevant Customer Affiliate in a form reasonably agreed by Contractor; or (v) to Customer's lenders or financing entities in connection with the granting of security as provided for in this Section 24.4.
- 24.4.2 By Contractor. Notwithstanding the foregoing, Contractor may: (a) assign or transfer this Contract or all of its rights, duties, or obligations hereunder, or (b) be subject to a change in Control or ownership, in each case with written notice to Customer, but without requiring Customer's approval to: (i) any Affiliate of Contractor that has equivalent or greater financial resources as Contractor; or (ii) any person or entity which, by way of merger, consolidation, or any similar transaction involving the acquisition of substantially all the stock, equity or the entire business assets of Contractor succeeds to the interests of Contractor and has expressly assumed all the obligations of Contractor and all terms and conditions applicable to Contractor under this Contract.
- 24.4.3 Security Interests. Customer, upon prior written notice to Contractor, may grant security interests in its rights hereunder to lenders that provide financing for the performance by Customer of its obligations under this Contract or for the subject matter hereof. In the event that either Party is sold to or merged into another entity, its responsibilities under this Contract shall not be altered and the successor organization shall be liable for performance of such Party's obligations under this Contract. If requested by Customer, Contractor shall provide its written consent to such assignment (including the execution by Contractor of a direct agreement or consent and agreement in favor of the facility agent on behalf of Purchaser's lenders and any financing parties, in a form reasonably satisfactory to such agent and Contractor, and customary for international structured financings) on terms and conditions as may be requested by Customer's lenders.

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24.5 Lender Requirements.

The Parties recognize that certain of Customer's Milestone Payment obligations under this Contract may be financed through external sources. Notwithstanding anything to the contrary in this Contract, and except for the restrictions and conditions set forth in Article 19, Contractor shall provide to any of Customer's lenders or financing entities any information that such lender or financing entity reasonably requires and shall reasonably cooperate with such lender or financing entity and Customer to implement such financing. Contractor agrees to negotiate in good faith and issue such documents as may be reasonably required by any Customer lender or financing entity to implement such financing, including a contingent assignment of this Contract to such lender or financing entity, under terms reasonably acceptable to Contractor, but in no event shall Contractor be obligated to agree to anything (including agreement to make modifications to this Contract, SOW or LIRD) that would impair, create a risk to, or otherwise prejudice its rights and benefits hereunder, increase its liabilities or obligations hereunder or create a security interest in any Launch Vehicle or its components (excluding the Dispenser) in favor of Customers lenders or financing entities.

24.6 Entire Agreement.

This Contract constitutes the entire agreement and understanding between the Parties. No other promises or representations, either verbal or written, with the exception of duly executed subsequent written modifications to the Contract shall have any force or effect in regard to the contractual obligations of the Parties herein.

24.7 Severability.

The invalidity, unenforceability or illegality of any provision hereto shall not affect the validity or enforceability of the other provisions of this Contract, which provisions shall remain in full force and effect.

24.8 Survival.

Notwithstanding any other provision to the contrary, and in addition to any other provision in this Contract stated to survive the termination or expiration of this Contract, the provisions contained in [\*\*\*...\*\*\*] shall survive the termination or expiration of this Contract.

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IN WITNESS WHEREOF, the Parties hereto have executed this Contract as of the Day and year first above written:

For Customer

For Contractor

**IRIDIUM SATELLITE LLC**

**SPACE EXPLORATION  
TECHNOLOGIES CORP.**

Signature: /s/ [John Brunette]

Signature: /s/ [Elon Musk]

Name: John Brunette

Name: Elon Musk

Title: Chief Legal & Administrative Officer

Title: Chairman and CEO

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**EXHIBIT A**  
**STATEMENT OF WORK**

[\*\*\*...\*\*\*]

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**EXHIBIT B**  
**LAUNCH SCHEDULE**

<u>Firm Launch Mission</u>	<u>Start Date of Launch Slot</u>	<u>Launch Date</u>
*** ...***]	*** ...***]	*** ...***]

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**EXHIBIT C**  
**MILESTONE PAYMENT SCHEDULE**

[\*\*\*...\*\*\*] Milestones

The [\*\*\*...\*\*\*] milestones and selection of either Table C.1 or C.2 shall be in accordance with Article 23. Milestone dates in Tables C.1 and C.2 assume [\*\*\*...\*\*\*].

**Table C.1 [\*\*\*...\*\*\*] Program**

	Milestone		Milestone
Milestone	Due Date	Milestone Payment %	Payment (US\$)
[***...***]	[***...***]	[***...***]%	\$[***...***]
<b>Total [***...***] Payments</b>		[***...***]%	\$[***...***]

**Table C.2 [\*\*\*...\*\*\*] Program**

	Milestone Due Date	Milestone Payment %	Milestone Payment (US\$)
[***...***]	[***...***]	[***...***]%	\$[***...***]
<b>Total [***...***] Payments</b>		[***...***]%	\$[***...***]

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**EXHIBIT C**  
**MILESTONE PAYMENT SCHEDULE (CONTINUED)**  
[\*\*\*...\*\*\*] **Milestones**

Table C.3 identifies the [\*\*\*...\*\*\*] Milestone [\*\*\*...\*\*\*] for [\*\*\*...\*\*\*] Firm Launches for either of [\*\*\*...\*\*\*], depending on [\*\*\*...\*\*\*].

**Table C.3** [\*\*\*...\*\*\*]

<b>No</b>	<b>[*****] (Months)</b>	<b>Milestone</b>	<b>[*** ... ***](%)</b>	<b>[*** ... ***](US\$)</b>	<b>[*** ... ***](%)</b>	<b>[*** ... ***]</b>
[*** ... ***]	[*** ... ***]	[*** ... ***]	[*** ... ***]%	\$(*** ... ***)	[*** ... ***]%	[*** ... ***]
		<b>Launch Service Price</b>	[*** ... ***]%	\$(*** ... ***)	[*** ... ***]%	[*** ... ***]

[\*\*\*...\*\*\*]

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**EXHIBIT D  
OPTIONAL SERVICES**

[*** ... ***] Options	[*** ... ***]		Non-Recurring Price	Price Per Launch	Per Occurrence
	Exercise Date	Exercise Date			
	[*** ... ***]	[*** ... ***]			
[*** ... ***]	L-[*** ... ***]; L-[*** ... ***]	L-[*** ... ***]; L-[*** ... ***]			
	[*** ... ***]	[*** ... ***]	\$(*** ... ***)	\$(*** ... ***)	\$(*** ... ***)
[*** ... ***]	L-[*** ... ***]	L-[*** ... ***]	\$(*** ... ***)	\$(*** ... ***)	\$(*** ... ***)
[*** ... ***]	L-[*** ... ***]	L-[*** ... ***]	\$(*** ... ***)	\$(*** ... ***)	\$(*** ... ***)
[*** ... ***]	L-[*** ... ***]	L-[*** ... ***]	\$(*** ... ***)	\$(*** ... ***)	\$(*** ... ***)
[*** ... ***]	L-[*** ... ***]	L-[*** ... ***]	\$(*** ... ***)	\$(*** ... ***)	\$(*** ... ***)

**Table D.2**

[*** ... ***] Specific Options [*** ... ***]	[*** ... ***] Exercise Date		[*** ... ***] Exercise Date [*** ... ***]		Non-Recurring Price	Price Per Launch	Per Occurrence
	[*** ... ***]		Date [*** ... ***]			Service	Price
	[*** ... ***]	L-[*** ... ***]	L-[*** ... ***]				
[*** ... ***]		L-[*** ... ***]	L-[*** ... ***]		\$[*** ... ***]	\$[*** ... ***]	\$[*** ... ***]
[*** ... ***]		L-[*** ... ***]	L-[*** ... ***]		\$[*** ... ***]	\$[*** ... ***]	\$[*** ... ***]

General Conditions Applicable to the Optional Services described above:

- Each Optional Service shall be elected by Customer by [\*\*\*...\*\*\*], in accordance with Article [\*\*\*...\*\*\*], on or prior to the applicable [\*\*\*...\*\*\*].
- The [\*\*\*...\*\*\*]: (a) shall be [\*\*\*...\*\*\*] on a [\*\*\*...\*\*\*] basis in the event a [\*\*\*...\*\*\*] in accordance with Article [\*\*\*...\*\*\*]; and (b) may be [\*\*\*...\*\*\*] by Customer and Contractor.
- The [\*\*\*...\*\*\*] as referred to in [\*\*\*...\*\*\*] (if applicable) of each Optional Service elected by Customer shall be [\*\*\*...\*\*\*] by Contractor as follows: (a) [\*\*\*...\*\*\*] on the date following [\*\*\*...\*\*\*] when Customer [\*\*\*...\*\*\*] to Contractor; and (b) [\*\*\*...\*\*\*] upon [\*\*\*...\*\*\*]. Any such [\*\*\*...\*\*\*] by Contractor [\*\*\*...\*\*\*] by Customer shall be [\*\*\*...\*\*\*] by Customer within [\*\*\*...\*\*\*] Days.

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4. The [\*\*\*...\*\*\*] as referred to in [\*\*\*...\*\*\*] (if applicable) of each Optional Service elected by Customer shall be [\*\*\*...\*\*\*] by Contractor as follows: (a) [\*\*\*...\*\*\*] on the date following [\*\*\*...\*\*\*] when Customer [\*\*\*...\*\*\*] to Contractor; (b) [\*\*\*...\*\*\*] upon [\*\*\*...\*\*\*] and (c) [\*\*\*...\*\*\*] upon [\*\*\*...\*\*\*]. Any such [\*\*\*...\*\*\*] by Contractor [\*\*\*...\*\*\*] by Customer shall be [\*\*\*...\*\*\*] by Customer within [\*\*\*...\*\*\*] Days.
5. For the sake of clarity, Customer may [\*\*\*...\*\*\*] on a [\*\*\*...\*\*\*] basis, subject to the terms and conditions of this Agreement.
6. Performance of [\*\*\*...\*\*\*] shall be subject to the requirements set forth in Section [\*\*\*...\*\*\*].
7. Prices for each Optional Service [\*\*\*...\*\*\*] in the event such Optional Service(s) are [\*\*\*...\*\*\*]. In each case, the price of the Optional Service(s) shall be [\*\*\*...\*\*\*]. If [\*\*\*...\*\*\*], such [\*\*\*...\*\*\*] shall be [\*\*\*...\*\*\*]. Otherwise, [\*\*\*...\*\*\*], shall be [\*\*\*...\*\*\*]:

[\*\*\*...\*\*\*] Price = \$[\*\*\*...\*\*\*] = \$[\*\*\*...\*\*\*]

[\*\*\*...\*\*\*] = \$[\*\*\*...\*\*\*] = \$[\*\*\*...\*\*\*]

Therefore, [\*\*\*...\*\*\*], is \$[\*\*\*...\*\*\*].

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**EXHIBIT E**  
**ADDITIONAL LAUNCH PRICE**

A. Additional Launch Option [\*\*\*...\*\*\*]

If Customer exercises an Additional Launch [\*\*\*...\*\*\*]. If the resulting amount [\*\*\*...\*\*\*], such [\*\*\*...\*\*\*] shall be [\*\*\*...\*\*\*], the amount set forth in [\*\*\*...\*\*\*] shall be [\*\*\*...\*\*\*].

B. Additional Launch Option Exercised [\*\*\*...\*\*\*]

For a Launch Date [\*\*\*...\*\*\*], the price of the Additional Launch shall be calculated using the following formula:

[\*\*\*...\*\*\*]

If the resulting amount is [\*\*\*...\*\*\*], otherwise, the amount set forth in [\*\*\*...\*\*\*] shall be [\*\*\*...\*\*\*].

C. Additional Launch Milestone Payments

Milestone Payments for such Additional Launch shall be calculated based upon [\*\*\*...\*\*\*]. For any Additional Launch exercised by Customer [\*\*\*...\*\*\*] prior to [\*\*\*...\*\*\*] is exercised pursuant to Section 2.1.2, will be [\*\*\*...\*\*\*].

D. Application of Additional Launch Reservation Fee

The [\*\*\*...\*\*\*] US Dollars (US\$[\*\*\*...\*\*\*]) Additional Launch reservation fee, to the extent paid by Customer pursuant to Section 2.1.2, shall be added to the Additional Launch price as determined in Section A or B above, to determine the final Launch Service price for the applicable Additional Launch.

Table E.1. [\*\*\*...\*\*\*]

[***...***] Additional Launch Price, [***...***]						
[***...***]	[***...***]	[***...***]	[***...***]	[***...***]	[***...***]	[***...***]
[***...***]	\$[***...***]	\$[***...***]	\$[***...***]	\$[***...***]	\$[***...***]	\$[***...***]
[***...***]	\$[***...***]	\$[***...***]	\$[***...***]	\$[***...***]	\$[***...***]	\$[***...***]

Table E.2. Payment Profile

No	Milestone [*****] Dates	Milestone [*****]	Milestone Payment (%)
[***...***]	[***...***]	[***...***]	[***...***]%
		Additional Launch price Sub Total	[***...***]%
		Reservation Fee	\$[***...***]
		Final Launch Service Price	Sub Total plus \$[***...***]

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## E. Illustrative Example Cases

For illustrative purposes only the following examples are provided: [\*\*\*...\*\*\*].

Example 1: [\*\*\*...\*\*\*].

[\*\*\*...\*\*\*]

[\*\*\*...\*\*\*] Price = \$[\*\*\*...\*\*\*]

[\*\*\*...\*\*\*]. The payment profile in this example would be the following:

No	Milestone Completion	Milestone	Milestone Payment (%)	Milestone
	Nominal Dates			Payment (US\$)
[***...***]	[***...***]	[***...***]	[**...***]%	\$[***...***]

Example 2: [\*\*\*...\*\*\*].

[\*\*\*...\*\*\*]

[\*\*\*...\*\*\*] Price = \$[\*\*\*...\*\*\*]

[\*\*\*...\*\*\*]

Price of Additional Launch = \$[\*\*\*...\*\*\*] = \$[\*\*\*...\*\*\*]

[\*\*\*...\*\*\*]. The payment profile in this example would be the following:

No	Milestone	Milestone	Milestone Payment (%)	Milestone Payment (US\$)
	[*****] Dates			
[***...***]	[***...***]	[**...***]	[***...***]%	\$[***...***]

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**EXHIBIT F  
DISCLOSURES**

Pending/Threatened Litigation

In accordance with Section 7.3 of the Contract for Launch Services, dated as of March 19, 2010, between Iridium Satellite LLC and Space Exploration Technologies Corp. ("SpaceX"), please be advised of the following circumstances which, if ultimately resolved in a manner adverse to SpaceX, could have a material adverse effect on SpaceX:

1. PlanetSpace Inc., which bid on but was not awarded any of NASA's \$3.5B Commercial Resupply Services ("CRS") contract, filed an official bid protest with the U.S. Government Accounting Office ("GAO") in December of 2008. As awardees of the CRS contract, SpaceX and Orbital Sciences Corporation ("Orbital") each participated in the GAO bid protest proceedings. In May of 2009, the GAO concluded that NASA's award of the CRS contract to SpaceX and Orbital was proper and denied relief to PlanetSpace. In July of 2009, PlanetSpace filed a bid protest action against the United States challenging NASA's CRS award decision in the U.S. Court of Federal Claims. The Complaint is currently pending and SpaceX has intervened in the proceeding.
2. [\*\*\*...\*\*\*].

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**AMENDMENT NO. 1**  
**TO THE**  
**CONTRACT FOR LAUNCH SERVICES**  
**NO. IS-10-008**  
**BETWEEN**  
**IRIDIUM SATELLITE LLC**  
**AND**  
**SPACE EXPLORATION TECHNOLOGIES CORP.**

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Iridium & Space Exploration Technologies Corp. Proprietary Information

## PREAMBLE

This Amendment No. 1 (the “**Amendment**”) to the Contract for Launch Services No. IS-10-008, signed on March 19, 2010 between Iridium Satellite LLC and Space Exploration Technologies Corp. (the “**Contract**”) is entered into on this 17<sup>th</sup> day of September, 2010, by and between Iridium Satellite LLC, a limited liability company organized and existing under the laws of Delaware, having its office at 1750 Tysons Boulevard, Suite 1400, McLean, VA 22102 ( “**Customer**”) and Space Exploration Technologies Corp., a Delaware corporation, having its office at 1 Rocket Road, Hawthorne, CA 90250 ( “**Contractor**”).

## RECITALS

**WHEREAS**, Customer and Contractor have engaged in discussions relating to changes each would like to incorporate in the Contract; and

**WHEREAS**, the Parties now desire to amend Sections 1.1, 2.1.3, 2.2, 4.2, 8.3, 11.1.1(C), 13.2, 17.1, 17.3, 23.1(A), 23.2 and 23.3 of the Contract and Table C.2 of the Statement of Work.

**NOW, THEREFORE**, in consideration of the foregoing, the agreements contained herein, the payments to be made by Customer to Contractor under the Contract and other good and valid consideration, the receipt and adequacy of which are hereby expressly acknowledged, and intending to be legally bound, the Parties agree as follows:

**Article 1**: Capitalized terms used but not defined in this Amendment shall have the meanings ascribed thereto in the Contract.

**Article 2**: Section 1.1 of the Contract is hereby amended by adding a new definition for “Falcon 9 [\*\*\*...\*\*\*]” immediately following the definition of “Failure Review Board” as follows:

“Falcon 9 [\*\*\*...\*\*\*]” means a [\*\*\*...\*\*\*] which meets [\*\*\*...\*\*\*] as set forth in: (i) [\*\*\*...\*\*\*]; (ii) [\*\*\*...\*\*\*]; and (iii) [\*\*\*...\*\*\*]; and which has been [\*\*\*...\*\*\*] anticipated to include [\*\*\*...\*\*\*] of: (1) [\*\*\*...\*\*\*]; (2) [\*\*\*...\*\*\*]; and (3) [\*\*\*...\*\*\*]”

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**Article 3 :** Section 2.1.3 of the Contract is hereby deleted and replaced in its entirety by the following:

“Notwithstanding Sections 2.1.1 or 2.1.2, Customer may procure up to [\*\*\*...\*\*\*] further Additional Launch(es), that may be exercised up through [\*\*\*...\*\*\*], that at the time of such exercise are assigned a Launch Slot ending no later than [\*\*\*...\*\*\*] (subject to available Launch Opportunities). The pricing for such Additional Launch(es) [\*\*\*...\*\*\*] associated with [\*\*\*...\*\*\*] as of the applicable exercise date thereof. The Milestones and Milestone Payment percentages for such Additional Launch(es) under this Section 2.1.3 shall be the same as set forth in Exhibit E. For the Additional Launch(es) exercised by Customer in accordance with this Section 2.1.3, the Launch Slot for such Launch Service shall be designated so as to occur within [\*\*\*...\*\*\*] of the Launch Services exercise date, provided however that such Launch Service is performed prior to [\*\*\*...\*\*\*]. Customer shall pay to Contractor a reservation fee of [\*\*\*...\*\*\*] US Dollars (US\$[\*\*\*...\*\*\*]) for each Additional Launch procured pursuant to this Section 2.1.3 no later than the start of the Launch Campaign Period. Such reservation fee will be applied to the first Milestone Payment for the applicable Additional Launch. If Customer does not exercise an Additional Launch pursuant to this Section 2.1.3, the reservation fee paid for such Additional Launch to Contractor will be refunded to Customer within [\*\*\*...\*\*\*] of Customer’s notice of such effect.”

**Article 4 :** Section 2.2 of the Contract is hereby modified by (i) deleting the words “[\*\*\*...\*\*\*]” immediately before the text “following receipt of Customer’s notice” in the second sentence and (ii) inserting the words “[\*\*\*...\*\*\*]” in place thereof.

**Article 5 :** Section 4.2 of the Contract is hereby deleted in its entirety and shall be reserved.

**Article 6 :** The table in Section 8.3 of the Contract is hereby amended by adding the following addresses under the “With a copy to” section of the “Notices to Contractor” column.

[\*\*\*...\*\*\*], Contracts Officer  
Space Exploration Technologies Corp.  
1 Rocket Road  
Hawthorne, CA 90250  
Telephone: [\*\*\*...\*\*\*]  
Fax: [\*\*\*...\*\*\*]  
E-mail: [\*\*\*...\*\*\*]

and

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[\*\*\*...\*\*\*], Director of Project and Mission Management  
Space Exploration Technologies Corp.  
1 Rocket Road  
Hawthorne, CA 90250  
Telephone: [\*\*\*...\*\*\*]  
Fax: [\*\*\*...\*\*\*]  
E-mail: [\*\*\*...\*\*\*]

**Article 7 :** Section 11.1.1(C) of the Contract is hereby deleted and replaced in its entirety by the following:

“No later than [\*\*\*...\*\*\*], but in any event prior to [\*\*\*...\*\*\*], Contractor shall demonstrate compliance of the Falcon 9 [\*\*\*...\*\*\*] vehicle with the [\*\*\*...\*\*\*] set forth in [\*\*\*...\*\*\*], of the SOW via flight data and analysis by successfully achieving:

- (i) [\*\*\*...\*\*\*] Falcon 9 [\*\*\*...\*\*\*], or if such [\*\*\*...\*\*\*], then [\*\*\*...\*\*\*] shall have [\*\*\*...\*\*\*] set forth in [\*\*\*...\*\*\*] shall have [\*\*\*...\*\*\*];
- (ii) [\*\*\*...\*\*\*];
- (iii) [\*\*\*...\*\*\*] Falcon 9 [\*\*\*...\*\*\*], or (b) between [\*\*\*...\*\*\*] Contract and [\*\*\*...\*\*\*] Falcon 9 [\*\*\*...\*\*\*]; and
- (iv) [\*\*\*...\*\*\*] Falcon 9 [\*\*\*...\*\*\*], including [\*\*\*...\*\*\*] incorporates [\*\*\*...\*\*\*].

If each of (i) to (iv) above [\*\*\*...\*\*\*] for purposes of this Contract [\*\*\*...\*\*\*].”

**Article 8 :** Section 13.2 of the Contract is hereby modified by (i) deleting the words “[\*\*\*...\*\*\*]” immediately before the text “of Customer’s written request” in the second sentence and (ii) inserting the words “[\*\*\*...\*\*\*]” in place thereof.

**Article 9 :** Table 17-1 set forth in Section 17.1 of the Contract is hereby deleted and replaced in its entirety by the following:

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**TABLE 17-1**

DATE OF TERMINATION BY CUSTOMER	TERMINATION FEE AS A PERCENTAGE OF THE APPLICABLE LAUNCH SERVICE(S) PRICE (RECURRING)	TERMINATION FEE AS A PERCENTAGE OF THE APPLICABLE LAUNCH SERVICE(S) PRICE (NON-RECURRING)
[***...***] to [***...***] months	[***...***]% at [***...***] increasing to [***...***]% at [***...***] months	[***...***] will result in a Fee Equal to [***...***] with respect to Non-Recurring Launch Service [***...***]. [***...***].
[***...***] months to [***...***] months	[***...***]% at [***...***] months [***...***] increasing to [***...***]% at [***...***] months	
[***...***] months to [***...***] months	[***...***]% at [***...***] months [***...***] increasing to [***...***]% at [***...***] months and shall remain at [***...***]% thereafter	

**Article 10 :** Section 17.3 of the Contract is hereby modified by (i) deleting the words “[\*\*\*...\*\*\*]” immediately after the words “not to exceed” in the first sentence and (ii) inserting the words “[\*\*\*...\*\*\*]” in place thereof.

**Article 11 :** Section 23.1(A) is deleted and replaced in its entirety by the following:

“(A) Signature of the Contract by both Parties, and payment by Customer of advance payments equal to:

- (i) [\*\*\*...\*\*\*] United States dollars (US\$[\*\*\*...\*\*\*]) [\*\*\*...\*\*\*], to occur upon the later of: (a) [\*\*\*...\*\*\*], or (b) [\*\*\*...\*\*\*] Business Days following receipt of Contractor’s invoice (such invoice to be tendered after Contract signature); plus
- (ii) An additional [\*\*\*...\*\*\*] United States dollars (US\$[\*\*\*...\*\*\*]) [\*\*\*...\*\*\*], following receipt of Contractor’s invoice for the balance of Recurring Milestone No. 1 (such invoice to be dated [\*\*\*...\*\*\*] and such payment to be due and payable on [\*\*\*...\*\*\*]); plus
- (iii) [\*\*\*...\*\*\*] United States dollars (US\$[\*\*\*...\*\*\*]) of the aggregate [\*\*\*...\*\*\*] for [\*\*\*...\*\*\*] for [\*\*\*...\*\*\*] within [\*\*\*...\*\*\*] Days [\*\*\*...\*\*\*] compliance with [\*\*\*...\*\*\*] set forth in [\*\*\*...\*\*\*]; and”

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**Article 12 :** Section 23.2 of the Contract is hereby modified by (i) deleting the word “payment” immediately before the text “referenced in Section 23.1(A)” and (ii) inserting the word “payments” in place thereof.

**Article 13 :** Section 23.3 of the Contract is hereby deleted and replaced in its entirety by the following:

“If [\*\*\*...\*\*\*] does not occur by [\*\*\*...\*\*\*], or such later date that [\*\*\*...\*\*\*] by Contractor to Customer within [\*\*\*...\*\*\*] Days and [\*\*\*...\*\*\*].”

**Article 14 :** Table C.2 of the Statement of Work is hereby amended as follows:

- (a) The word “[\*\*\*...\*\*\*]” is deleted in the Milestone Category of M/S L;
- (b) Milestone Success Criteria (g.) under M/S L is hereby deleted and replaced by the following:  
“Provides [\*\*\*...\*\*\*] that [\*\*\*...\*\*\*], followed by [\*\*\*...\*\*\*] that such [\*\*\*...\*\*\*].”;
- (c) The word “[\*\*\*...\*\*\*]” is deleted in the Milestone Category of M/S M; and
- (d) Milestone Success Criteria (g.) under M/S M is hereby deleted and replaced by the following:  
“Provides [\*\*\*...\*\*\*] that [\*\*\*...\*\*\*], followed by [\*\*\*...\*\*\*] that such [\*\*\*...\*\*\*].”

**Article 15 :** This Amendment may be executed and delivered (including via facsimile or other electronic means) in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

**Article 16 :** All other provisions of the Contract not expressly referred to in this Amendment remain in full force and effect.

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**IN WITNESS WHEREOF** , the Parties have executed this Amendment by their duly authorized officers as of the date set forth in the Preamble.

For Customer

For Contractor

**IRIDIUM SATELLITE LLC**

**SPACE EXPLORATION  
TECHNOLOGIES CORP.**

Signature: /s/ John Brunette  
Name: John Brunette  
Title: Chief Legal & Administrative Officer

Signature: /s/ Elon Musk  
Name: Elon Musk  
Title: Chairman and CEO

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**DE-ORBIT POSTPONEMENT MODIFICATION  
FOR CONTRACT DCA100-01-C-3001**

THIS CONTRACT MODIFICATION is made between the “parties”:

/s/ Matthew J. Desch  
Iridium Satellite LLC  
Matthew J. Desch, CEO

/s/ Danny White  
The Boeing Company  
Danny White, Manager, Contracts, I&SS

/s/ Loren S. Minkus  
Motorola, Inc.  
Loren S. Minkus, Authorized Representative

<u>/s/ Clare A. Grason</u>	<u>07 September 2010</u>
Contracting Officer	Effective Date
For the United States Government	

WHEREAS the parties entered into contract DCA100-01-C-3001 dated 05 December 2000, (“the contract”, attachment 1).

WHEREAS the parties agree to modify the contract as hereinafter provided.

NOW THEREFORE in good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party, the parties agree as follows:

The document entitled “Terms and Conditions for De-Orbit Postponement Modification for Contract DCA100-01-3001” (attachment 2) is hereby incorporated into the contract.

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**TERMS AND CONDITIONS  
FOR DE-ORBIT POSTPONEMENT MODIFICATION  
FOR CONTRACT DCA100-01-C-3001**

SUBJECT: Modification of the Indemnification Contract (dated December 5, 2000) to exercise the constellation de-orbit postponement clause (Paragraph 3.g).

1. Pursuant to the request by Iridium Satellite LLC (IS), the Government agrees to postpone (see paragraph 3g of the Indemnification Contract) the exercise of its right to de-orbit the satellites subject to the following conditions:
  - a. IS shall pay for and obtain Aviation Products-Completed Operations Liability Insurance (with no deductibles and in substantially the same form as currently maintained by Motorola) with Motorola as an insured, until all Iridium satellites (i.e., space vehicles listed in Annex A to the Indemnification contract) or any parts thereof have come to rest on the earth's surface. This obligation begins 10 years after the effective date of the Indemnification Contract (i.e., Dec. 5, 2010).
  - b. IS shall, no later than July 1 of each year, [\*\*\*. . .\*\*\*]
  - c. IS shall provide to the Government, in a format and on a schedule to be mutually agreed, orbit ephemeris data for each of the functioning on-orbit Iridium satellites listed in Annex A to support the Government's conjunction analyses.
  - d. IS shall provide the Government and Motorola annually on the date of renewal thereof with copies of the Aviation Products-Completed Operations Liability Insurance policy.
  - e. IS shall provide the Government notice, within five days of receipt of notice from the insurance company, of cancellation, refusal to provide, or non-renewal of any insurance required by the Indemnification Contract or this Modification.

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2. The Government may withdraw its agreement to postpone the exercise of its right to de-orbit the satellites pursuant to paragraph 3g of the Indemnification Contract:
    - a. On or after January 1, 2015
    - b. If IS violates any of the terms of the Indemnification Contract
    - c. If IS does not comply with any of the terms of this Modification
    - d. At any point in time, if more than 4 of the satellites do not contain fuel reserves sufficient to execute a 12-month de-orbit
    - e. If IS fails to provide to the US Government and comply with the Boeing de-boost plans, consistent with the terms of this Modification
    - f. If the FCC finds that IS has failed to comply with any material term of the Iridium Orbital Debris Mitigation Plan filed with the FCC and then in effect and IS fails to take any required remedial action related to such failure within the time period specified by the FCC
    - g. Immediately upon notice of cancellation, refusal to provide, or non-renewal of any insurance required by the Indemnification Contract or this Modification
    - h. Upon completion or termination of the existent or successor enhanced mobile satellite services contracts between IS and the DoD

The Government's failure to exercise its right to request de-orbit upon occurrence of any of the above conditions shall not constitute a waiver of its right or of the underlying condition.

When in the interests of the Government, the Government may consider requests by IS to modify the foregoing fuel reserve requirements (see paragraph 2d. above) on a satellite-by-satellite basis.

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**A MENDED AND R ESTATED C ONTRACT**  
**Boeing No. BSC-2000-001**

**BETWEEN**

**I RIDIUM C ONSTELLATION LLC**

**AND**

**T HE B OEING C OMPANY**

**F OR**

**T RANSITION , O PERATIONS AND M AINTENANCE , E NGINEERING**  
**S ERVICES , AND R E -O RBIT**  
**OF THE**

**I RIDIUM C OMMUNICATIONS S YSTEM**

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*Execution Version*

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**List of Amendments**  
**to**  
**the Original Contract**

<b><u>Amendment Number</u></b>	<b><u>Description</u></b>
001	See Amendment #001 Summary
002	Annex 5, Paragraph 2.2.5
003	Article 20 - Added EEOC
004	Add Annex 11, "Letter of Credit"
005	Add Annex 12, "Letter of Credit for March 2003" Payment Draw Down
006	Amended and Restated Contract
007	De-orbit Price Revision
008	Added Annex 17, "Group Call Functionality"
009	Revised Revenue Sharing
010	Amended and Restated Contract: Retirement of Promissory Notes and Personal Property Liens and Revise Letter of Credit
011	Discontinuance of Additional Fee Payments; Revised EPA
012	Added Annex 18, "Broadband Functionality"
013	CY 2006 T&M Billing Rate(s) for Special Projects

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## AMENDED AND RESTATED CONTRACT

**THIS AMENDED AND RESTATED CONTRACT** (including all annexes and addenda hereto, as amended, modified or supplemented from time to time hereafter, this “ **Contract** ”) is made and entered into as of May 28, 2010 (the “ **Effective Date** ”) between **IRIDIUM CONSTELLATION LLC** , a Delaware limited liability company (“ **Owner** ”), whose obligations arising hereunder shall be guaranteed by Iridium Satellite LLC, also a Delaware limited liability company and the parent of Owner (“ **Iridium Satellite** ”), and **THE BOEING COMPANY** , a Delaware corporation (“ **Boeing** ”) (Owner and Boeing are each referred to as a “ **Party** ” and collectively referred to as the “ **Parties** ”).

### PREAMBLE

**WHEREAS**, Owner and Boeing are parties to a Contract (Boeing No. BSC-2000-001) for Transition, Operations and Maintenance, Engineering Services, and Re-Orbit of the Iridium Communications System, dated as of December 11, 2000 (as heretofore amended by Amendments Number 001 through 013, the “ **Original Contract** ”), pursuant to which Boeing provides, among other things, operations and maintenance services in support of the Iridium Communications System, defined below;

**WHEREAS**, the Parties have agreed to amend and restate the Original Contract to provide, among other things, (i) for annual price reductions for the operations and maintenance services provided to Owner by Boeing hereunder and (ii) Owner with the ability to achieve additional scope of work and cost reductions on the terms and subject to the conditions set forth in this Contract (including as a result of the conversion of this Contract, for most services provided by Boeing to Owner hereunder, from a firm fixed price contract to a Time & Materials Capped Price or T&M CP contract, defined below); and

**WHEREAS**, it is the Parties’ intention that Boeing’s responsibilities under this Contract shall be equivalent in all material respects with Boeing’s responsibilities performed under the Original Contract, including that: (i) as of the Effective Date and subject to future O&M Scope Modifications, as defined below, Task-Ordered O&M Services, as defined below, shall include all services previously provided by Boeing to Owner under the Original Contract (other than Special Projects (as defined in the Original Contract)), including Steady State O&M Services (as defined in the Original Contract); (ii) as of the Effective Date and subject to future O&M Scope Modifications, Boeing’s responsibilities for overall end-to-end technical and programmatic maintenance of the ICS shall be identical to those provided under the Original Contract; and (iii) the compensation payable to Boeing by Owner under this Contract for Task-Ordered O&M Services pursuant to this Contract shall be subject to a maximum annual amount as provided in Article 1.4.2.4.

**WHEREAS**, in partial consideration of the amendment and restatement of the Original Contract, Owner and Boeing have agreed to enter into the NEXT Contract, defined below, pursuant to which Boeing will receive a significant role in the development and operation of the Iridium

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NEXT System, as defined below;

**NOW THEREFORE**, the Parties agree to amend and restate this Contract to continue performance under the following terms and conditions:

## **CONTRACTING TERMS AND CONDITIONS**

### **Article 1. Subject Matter of Contract**

#### **1.1 Background**

1.1.1 Amendment and Re-Statement of Original Contract . Boeing and Owner have heretofore entered into the Original Contract. The Parties wish to amend and restate the Original Contract in its entirety as herein set forth as of the Effective Date.

1.1.2 Steady State O&M Services Transition to Task-Ordered O&M Services . Under the Original Contract, Boeing performed the Steady State O&M Services on a firm fixed price basis. From and after the Effective Date, the Steady State O&M Services shall be discontinued and replaced by the Task-Ordered O&M Services, which shall performed on a T&M CP basis, defined below, subject to the Annual O&M Price Cap, defined below.

1.1.3 Special Projects Transition to Task-Ordered Engineering Non-O&M Services . Under the Original Contract, Boeing performed engineering support services for projects outside the scope of the Steady State O&M Services which pertained to the addition of new functionality to the ICS and which were incorporated pursuant to Annexes 17 and 18 to the Original Contract (“ **Special Projects** ”). Special Projects were performed on a Time & Materials basis. From and after the Effective Date of this Contract, Special Projects shall be discontinued and replaced by the Task-Ordered Engineering Non-O&M Services.

1.1.4 Re-Orbit . Under the Original Contract, Boeing was obligated to perform Re-Orbit, subject to the terms of Articles 9.4, 9.5 and/or 9.6 thereof, on a firm fixed price basis. From and after the Effective Date of this Contract, Boeing’s obligations to perform Re-Orbit shall continue under this Contract, subject to the terms of Articles 9.4, 9.5 and/or 9.6 of this Contract.

1.1.5 Group Call Functionality . Boeing and Owner have agreed that, concurrent with the execution and delivery of this Contract, Boeing, Boeing Management Company, a wholly owned subsidiary of Boeing (“BMC”), Owner and Iridium Satellite shall enter into Intellectual Property Rights License Agreement No. BMC-2010-1455, pursuant to which BMC and Boeing shall, among other things, license to Iridium Satellite certain intellectual property rights related to the Group Call Functionality as defined in Annex 17, upon Boeing’s receipt of the consideration specified in the Intellectual Property Rights License Agreement.

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1.1.6 Motorola as Third-Party Beneficiary. The Parties acknowledge that Motorola, Inc. (“**Motorola**”) is an express third-party beneficiary of certain provisions of the Original Contract as set forth therein and that neither of the Parties intends that this Contract nor any of the amendments to the Original Contract effected hereby are intended to affect any of their respective obligations to Motorola thereunder, all of which shall remain in full force and effect pursuant to the terms of this Contract. Conferring such third-party benefits to Motorola is a material part of this Contract and Motorola may enforce such provisions directly against either Party, as applicable.

1.1.7 U.S. Government Indemnification Contract Obligations. The Parties further acknowledge that each of them has certain obligations to the United States of America under the U.S. Government Indemnification Contract, defined below, and that neither this Contract nor any of the amendments to the Original Contract effected hereby are intended to affect any of those obligations.

1.1.8. Boeing Obligations. Boeing will provide to Owner program management, engineering, technical, operations and maintenance, and administrative resources necessary to accomplish the Services, as provided in Article 1.4 hereof.

## 1.2 Definitions

1.2.1 “**Affiliate**” means, with respect to any entity, any other entity Controlling, Controlled by or under common Control with such entity.

1.2.2 “**Annual O&M Price Cap**” has the meaning given such term in Article 1.4.2.4 hereof.

1.2.3 “**Claims**” means any and all actions, causes of action, liabilities, claims, suits, judgments, liens, awards and damages of any kind and nature whatsoever.

1.2.4 “**Contract**” has the meaning given to such term in the first introductory paragraph of this Contract.

1.2.5 “**Control**” and its derivatives means, with regard to any entity, the legal, beneficial, or equitable ownership, directly or indirectly, of fifty percent (50%) or more of such entity’s capital stock (or other ownership interest, if not a corporation) ordinarily having voting rights.

1.2.6 “**Deliverable**” means Intellectual Property, hardware, software or other information, data, and/or technology prepared or procured by Boeing pursuant to this Contract, including any Task Order hereunder, or otherwise.

1.2.7 “**De-orbit**” means the removal (whether in a controlled, uncontrolled, natural or spontaneous manner) of ICS satellites and related devices, including but not limited to,

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the orbit, Re-Orbit, descent and re-entry through low earth orbit and the earth's atmosphere, and landing or falling on or near any part, surface, structure or other object, animate or inanimate, above, on, at, near, or below the earth's surface.

1.2.8 “**Excusable Delay**” means any of the items listed in Article 7 (Excusable Delay).

1.2.9 “**ICS Useful Life**” means the useful life of the ICS as measured by the ability of the ICS to function as a global voice communication system as determined by Owner within its complement of sixty-six (66) or fewer LEO operational satellites.

1.2.10 “**Iridium Communications System**” or “**ICS**” means the complete, integrated, satellite-based, digitally-switched communications system currently operated by Owner and/or its Affiliates. This term refers collectively to the Space Segment, System Control Segment, Gateways, Teleport Network, and Technical Support Center and expressly includes enhancements and additions to the Gateways and its evolution as required to support continuing ICS operations, but expressly excludes any element of the Iridium NEXT System.

1.2.11 “**Iridium NEXT System**,” “**Iridium NEXT**” or “**NEXT**” means the new, updated or enhanced satellites of a Space Segment and, upon written notice from time to time to Boeing from Owner, such new, updated or enhanced ground elements (including the Serviced Facilities and System Control Segment as well as Gateways and Teleport Network, all as further defined in the NEXT Contract) and such ground elements redeployed from the ICS, and their related software and equipment, deployed in connection with Iridium's and/or its Affiliates' proposed second generation complete, integrated, satellite-based, digitally switched communication system. NEXT does not include the ICS, except such ground elements redeployed from the ICS, and their related software and equipment, which have been designated as an element of NEXT pursuant to Owner's notice to Boeing as provided in this Article 1.2.11.

1.2.12 “**NEXT Contract**” means the Iridium NEXT Support Services Agreement between Iridium Constellation LLC, a Delaware limited liability company, and The Boeing Company for Support Services for Iridium NEXT, dated May 28, 2010, as amended from time to time.

1.2.13 “**O&M Scope Modification**” means an Owner-directed addition, deletion or modification of specified Services under the Task Ordered O&M Services.

1.2.14 “**Re-Orbit**” means the removal of functional ICS satellites from operational or storage orbits, and preparation of the satellites for re-entry into the earth's atmosphere, including, without limitation, venting of all remaining fuel, depressurizing the batteries and turning off the electronics, all in a professionally competent manner and as described in Annex 4 of this Contract.

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1.2.15 “ **Services** ” means all services to be rendered in accordance with Article 1.4 hereof, including but not limited to Task-Ordered O&M Services, Task-Ordered Non-O&M Engineering Services, Deliverables, and Re-Orbit.

1.2.16 “ **Statement of Work** ” means the various individual Statements of Work for efforts to be provided under this Contract, as more fully defined in Article 1.4 hereof, as the same may from time to time be amended or modified, whether singularly and/or collectively.

1.2.17 “ **Steady State O&M Services** ” means the ICS engineering, systems analysis, operations and maintenance services performed or required to be performed by Boeing under the Original Contract in accordance with the then-current Annex 3 Statement of Work for Iridium System Steady State Operations and Maintenance.

1.2.18 “ **Task Order** ” means a written order issued pursuant to the terms of this Contract which describes the requirements, Deliverables, pricing, special terms and conditions and other Services as agreed to by the Parties.

1.2.19 “ **Task Order Target Price** ” means the estimated total dollar value of a Task Order, calculated by multiplying estimated direct labor hours specified in the Task Order by the then-applicable T&M Hourly Rates (as defined in Annex 5 of this Contract).

1.2.20 “ **Task-Ordered Non-O&M Engineering Services** ” has the meaning given to such term in Article 1.4.3 hereof.

1.2.21 “ **Task-Ordered O&M Services** ” means ICS engineering, systems analysis, operations and maintenance Services as directed by Owner pursuant to Task Orders and/or the Annex 3 Statement of Work for Iridium System Operations and Maintenance.

1.2.22 “ **Time & Materials** ” or “ **T&M** ” means a contract basis where payment is made for: (i) the delivery of direct labor hours at an agreed upon fixed hourly rate; and (ii) the reimbursement of related direct non-labor expenses; all pursuant to a specified scope of work.

1.2.23 “ **Time & Materials Capped Price** ” or “ **T&M CP** ” has the meaning given to such term in Article 1.4.2.4.1 hereof.

1.2.24 “ **U.S. Government Indemnification Contract** ” means the Indemnification Contract, dated December 5, 2000, among Iridium Satellite, Boeing, Motorola, and the United States of America, a copy of which is attached hereto as Annex 9, as the same may be amended from time to time.

1.2.25 Additional definitions are as set forth in the various Articles, Statements of Work and Annexes referenced in this Contract.

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### 1.3 Period of Performance.

1.3.1 The period of performance covered by this Contract shall commence on the Effective Date of this Contract and shall continue for the duration of the ICS Useful Life.

1.3.2 The period of performance shall immediately terminate upon the commencement of Re-Orbit pursuant to Articles 9.4, 9.5 and/or 9.6, provided that Boeing shall complete the Re-Orbit Statement of Work included as Annex 4 to this Contract.

### 1.4 Services. Boeing will perform and sell to Owner and Owner will purchase from Boeing the following Services:

1.4.1 Task-Ordered Services, General. The Task-Ordered O&M Services and the Task-Ordered Engineering Non-O&M Services shall be authorized by means of separate Task Orders. Each Task Order shall be governed by the terms and conditions of this Contract, except those terms and conditions set forth in a specific Task Order and designated therein as taking precedence over this Contract.

1.4.1.1 Format of Task Orders. Task Orders will contain at least the following: (i) the Task Order Number; (ii) scope of work and technical requirements, including if applicable type, quantity and description of Services; (iii) Deliverables; (iv) acceptance criteria; (v) performance period; (vi) required Owner furnished items or data (if applicable); (vii) Task Order Target Price; (viii) authorized labor hours by labor category and applicable T&M Hourly Rate; (ix) listing of Key Personnel assigned to Task Order; (x) special terms and conditions (if applicable); and (xi) execution by authorized representatives.

1.4.1.2 Task Order Changes. Changes to Task Orders (other than O&M Scope Modifications which are addressed in Article 1.4.1.3 below) shall be made in accordance with Article 4 (Changes), subject to Boeing's submission of a change proposal providing an estimate of the Time & Material price adjustment associated with such change, including a detailed and time-phased estimate of labor hours by labor classification to be adjusted and supported by historical labor data and other supporting information. When applicable, an agreed upon change to a Task Order will also result in a commensurate adjustment in the Annual O&M Price Cap.

1.4.1.3 O&M Scope Modifications. Owner may, from time to time, at Owner's sole discretion, and by written notice to Boeing, direct an O&M Scope Modification to one or more Task Order(s). When requested by Owner, Boeing will cooperate with Owner to identify and make recommendations to Owner regarding potential areas for such O&M Scope Modification, including impact to delivered service (including availability, reliability, risk, QoS, user experience, etc). In the event an O&M Scope Modification to a Task Order is directed by Owner, then: (i) Boeing shall immediately acknowledge receipt of the O&M Scope Modification in writing to Owner and begin performance thereof; (ii) Boeing shall submit a change proposal with an estimate of the Time & Material price reductions associated with such change, including

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a detailed and time-phased estimate of labor hours by labor classification to be reduced and supported by historical labor data and other supporting information; and (iii) Owner shall make an equitable adjustment in the Task Order Target Price and/or delivery schedule by amendment to such Task Order and in the Annual O&M Price Cap. Any dispute regarding the equitable adjustment of a Task Order or the O&M Price Cap made pursuant to an O&M Scope Modification shall be resolved in accordance with Article 16 (Dispute Resolution) of this Contract. The Parties acknowledge and agree that the foregoing change provisions shall apply to all O&M Scope Modifications issued pursuant to this Article and that Article 4 (Changes) shall not apply.

1.4.2 Task-Ordered O&M Services . As of the Effective Date, Boeing shall perform the Task-Ordered O&M Services.

1.4.2.1 Baseline Task-Ordered O&M Services . As of the Effective Date, the Task-Ordered O&M Services shall include all Services previously provided under the Original Contract (other than Special Projects), including the Annex 3 Statement of Work for Iridium System Steady State Operations and Maintenance included therein and in effect immediately prior to the Effective Date of this Contract (“**Baseline Task-Ordered O&M Services**”). Subject to the provisions of Article 1.4.2.1.1, the Baseline Task-Ordered Services are specified in the series of Task Orders listed in Annex 6 hereof. The Baseline Task-Ordered O&M Services shall be subject to change only pursuant to an O&M Scope Modification.

1.4.2.1.1 Services Deemed Included in Baseline Task-Ordered O&M Services . Notwithstanding anything in this Contract to the contrary, in the event one or more Task Order(s), including those listed in Annex 6 hereof, omits any Baseline Task-Ordered O&M Services, other than those Services which have been omitted pursuant to an O&M Scope Modification, such Services shall be deemed to be included in such Task Order, and Boeing shall continue to provide such Services as Task-Ordered O&M Services hereunder.

1.4.2.1.2 [\*\*\*...\*\*\*].

1.4.2.2 Annual Task Orders for Task-Ordered O&M Services . Task Orders for the Task-Ordered O&M Services shall be written for annual calendar year periods and the then-current Annual O&M Price Cap shall apply to all such Task Orders, as further described in Article 1.4.2.4 below.

1.4.2.2.1 Annual Project Plan for Establishing Task Orders . For each calendar year for the term of this Contract (other than the 2010 calendar year), Owner and Boeing will establish and execute new Task Orders for the upcoming annual period as described in this Article. By no later than September 30 of any year during the term of this Contract, Boeing shall submit a project plan that provides a time-phased plan by Task Order for accomplishing all projected activities to be authorized for the next succeeding annual period, including: (i) the application of labor resources, including direct labor hours, by Task Order and

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subtask within each Task Order; (ii) the applicable labor categories and T&M Hourly Rates for such labor resources; (iii) the Task Order Target Prices and total target price for all planned Task Orders for that annual period; (iv) the sum of all Task Order Target Prices for such annual period, demonstrating that such sum is less than or equal to the Annual O&M Price Cap; (v) the sum of all direct labor hours projected for such annual period, with such hours intended to represent a target amount only and not a binding requirement for the delivery of such total direct labor hours, and with such amount not overriding the Annual O&M Price Cap for such annual period; and (vi) Boeing's proposed plan for implementing O&M efficiency improvements (additions, deletions or modifications of processes or approaches that result in a reduction of direct labor hours and/or direct labor rates) for that annual period, demonstrating to Owner, for Owner's approval, that the annual price reduction required per Annex 5, Paragraph 3.1.3 hereof will be achieved solely as a result of O&M efficiency improvements and not as a result of any O&M Scope Modification (the "**Annual Project Plan**"). The Parties acknowledge and agree that Task Orders for the O&M Task-Ordered Services for the remainder of calendar year 2010 from and after the Effective Date have been executed concurrently with the execution of this Contract.

1.4.2.2.2 Due Diligence. Prior to the final establishment of each Annual O&M Price Cap, Owner shall have the right to conduct a review on both the T&M Hourly Rates established in accordance with Annex 5, Paragraph 3.2, except that Owner shall not have access to financial information considered by Boeing to be proprietary, and the estimated hours associated with the Task-Ordered O&M Services as provided in the Annual Project Plan required pursuant to Article 1.4.2.2.1. Boeing shall provide sufficient information to Owner during the review to allow Owner to validate the Annual O&M Price Cap to be authorized for the upcoming annual period. Upon Owner's request, Owner may request that a third party designated by Owner audit all Boeing information used to support the review.

1.4.2.2.3 Monthly Review of Annual Project Plan. The Annual Project Plan prepared in accordance with Article 1.4.2.2.1 of this Contract shall be updated on a monthly basis throughout the then-current annual period to incorporate any O&M Scope Modifications or other adjustments as mutually agreed by the Parties. As part of each monthly update to the Annual Project Plan, Boeing shall provide certain historical information, including the status of all Deliverables, program schedules, and financial information as described in this Article 1.4.2.2.3, as well as any other supporting information as mutually agreed by the Parties. Boeing shall also provide: (i) actual hours and total T&M expense (hours times labor rate) delivered for each completed month in the then-current annual period; (ii) a forecast of hours and T&M expense (hours times labor rate) to be delivered for each future month during the then-current annual period; (iii) any forecasted variance from the existing Annual Project Plan in the hours and total T&M expense (hours times labor rate), either higher or lower, for each future month during the then-current annual period; and (iv) justification supporting all such forecasted monthly variances, with such justification to include the underlying work scope and programmatic priorities applicable to such future months and identifying those portions of the monthly variance that derive from an approved Project Description Document (as that term is defined in the Task Orders). If, upon reviewing the justification for any such forecasted monthly

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variances with Boeing, Owner concurs with such forecasted monthly variance(s), then Boeing shall proceed with the work as planned for such future months. If, upon reviewing the justification for any such forecasted monthly variances with Boeing, Owner does not concur with any such forecasted monthly variance(s), then Owner shall disposition such monthly variance as follows:

(a) if the underlying work scope is related to a Task Order, excluding any work authorized pursuant to an approved Project Description Document (as that term is defined in the Task Orders), then Owner shall, at Owner's sole discretion, either: (1) reduce, modify, delay, or delete the underlying work scope pursuant to an O&M Scope Modification in accordance Article 1.4.1.3; (2) direct Boeing to comply with the then-current Annual Project Plan; or (3) coordinate with Boeing to implement another resolution satisfactory to Owner; or

(b) if the underlying work scope is authorized pursuant to an approved Project Description Document (as that term is defined in the Task Orders), then Owner shall, at Owner's sole discretion, either: (1) reduce, modify, delay, or delete the underlying work scope pursuant the terms of the Project Description Document as provided in the applicable Task Order; (2) direct Boeing to comply with the then-current Annual Project Plan; or (3) coordinate with Boeing to implement another resolution satisfactory to Owner;

however, in no event shall Owner reduce, modify, delay, or delete any underlying work scope that is required for Boeing to achieve Boeing's proposed plan for implementing O&M efficiency improvements in the Annual Project Plan as provided in Article 1.4.2.2.1 above. The Parties' agreement on one or more of such monthly variances shall not be deemed an amendment to or modification of the applicable Annual O&M Price Cap established in accordance with Article 1.4.2.4. No variance from the Annual Project Plan, whether or not mutually agreed by the Parties, shall be deemed to modify or supersede the Annual Project Plan established in accordance with Article 1.4.2.2.1, except as otherwise mutually agreed upon by the Parties. For the avoidance of doubt, Owner's approval of one or more monthly variances, whether higher or lower than the same month in Annual Project Plan, shall not: (x) require that Owner approve any subsequent monthly variance (s) for the purpose of offsetting an earlier approved monthly variance (i.e., a subsequent higher variance that offsets an earlier lower variance or vice versa); or (y) unilaterally permit Boeing to reduce Boeing's forecasted hours and / or total T&M expense for any future month included in the Annual Project Plan.

1.4.2.3 Owner's Rights and Limitations of O&M Scope Modifications. Notwithstanding the terms of Article 1.4.2.1.2 and in accordance with Article 1.4.1.3, Owner shall have the right to unilaterally issue O&M Scope Modifications. Owner shall not have the right to reduce scope with the intent of performing the work using Owner's employees or contracting such reduced scope with any third party supplier, except where the Parties agree that Boeing is unable to perform the scope of work to be reduced.

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1.4.2.3.1 Effect of O&M Scope Modifications on Re-Orbit . Owner agrees that in the modification of the scope of any individual Task Order, Owner shall not knowingly issue any O&M Scope Modification which will prevent Boeing from successfully performing Re-Orbit as defined in the Annex 4 Re-Orbit Statement of Work. In the event Boeing determines in good faith that an Owner-directed modification in scope will prevent Boeing from successfully performing Re-Orbit, then Boeing shall provide a written technical justification for Boeing's concerns. In no event shall such technical justification be based upon the non-availability of qualified staffing resources or technical expertise where such qualified staffing resources or technical expertise is otherwise currently deployed by Boeing to work on any related ICS and/or NEXT efforts. Owner shall evaluate whether such Owner-directed modification in scope shall prevent Boeing from successfully performing Re-Orbit, and in the event that Owner agrees with Boeing's justification, then Owner shall withdraw the requested modification in scope.

1.4.2.3.2 Disagreements on Effect of O&M Scope Modifications on Re-Orbit . If the Parties disagree as to whether such Owner-directed modification in scope shall prevent Boeing from successfully performing Re-Orbit, then the Parties shall jointly designate a qualified, internationally recognized independent third-party consultant experienced in on-orbit spacecraft operations (the "**Independent Consultant** "). If the Parties are unable to agree upon the designation of the Independent Consultant within [ \*\*\* ... \*\*\* ] following delivery of written notification by one Party to the other Party that the designation of the Independent Consultant is required, each Party shall within [ \*\*\* ... \*\*\* ] thereafter designate a consultant having the same qualifications as the Independent Consultant and the two consultants so designated shall, within [ \*\*\* ... \*\*\* ] thereafter, designate a qualified, internationally recognized independent third-party consultant experienced in on-orbit spacecraft operations who shall serve as the Independent Consultant hereunder. If the two consultants designated by the Parties are unable to agree upon the designation of an Independent Consultant within such time, the Parties shall, acting in good faith, repeat the foregoing process (i.e., each will appoint another consultant) until the consultants appointed by the Parties shall agree upon the designation of an Independent Consultant. Each Party shall bear the costs and expenses of the consultant(s) designated by such Party (if any) and fifty percent (50%) of the costs and expenses associated with the Independent Consultant. Such Independent Consultant's assessment, to include detailed justification and analysis methodology, but excluding determination of monetary amounts associated with the modification in scope being assessed, shall be binding upon the Parties. The Independent Consultant will be directed to provide a response expeditiously, and in no event more than one month after submission; the Parties will reasonably cooperate to achieve this goal. Should the Independent Consultant rule in favor of Boeing (that the proposed Owner-directed modification in scope shall prevent Boeing from successfully performing Re-Orbit), then Owner shall retract the Owner-directed modification in scope. Should the Independent Consultant rule in favor of Owner (that the proposed Owner-directed modification in scope shall not prevent Boeing from successfully performing Re-Orbit) or if the Independent Consultant is unable to rule in favor of the Owner or Boeing, then Boeing shall either: (i) accept and implement the Owner-directed modification of

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scope, including a commensurate modification to the applicable Annual O&M Price Cap(s); or (ii) decline to accept and implement the Owner-directed modification of scope, but still accept a commensurate modification to the applicable Annual O&M Price Cap(s). Any dispute regarding: (a) either Party's failure to appoint an Independent Consultant when required in accordance with this provision; or (b) the value of the commensurate modification to the applicable Annual O&M Price Cap(s) associated with any Owner-directed modification in scope shall be resolved in accordance with Article 16 (Dispute Resolution) of this Contract.

1.4.2.4 Annual O&M Price Cap. Beginning with the Effective Date and continuing through the ICS Useful Life, the Parties will establish a maximum annual price for Task-Ordered O&M Services (the "**Annual O&M Price Cap**") in accordance with the terms of Article 1.4.2.2, including Articles 1.4.2.2.1 and 1.4.2.2.2, and Annex 5. The Parties will establish such Annual O&M Price Cap prior to January 31<sup>st</sup> of the annual period to which it applies, and such Annual O&M Price Cap will be deemed effective no event later than January 1 of such applicable annual period. The Parties acknowledge and agree that the Annual O&M Price Cap for the remainder of calendar year 2010 from and after the Effective Date shall be [\*\*\*...\*\*\*] U.S. Dollars (\$[\*\*\*...\*\*\*] USD).

1.4.2.4.1 Time & Materials Capped Price Basis. Boeing agrees to complete all Task-Ordered O&M Services for the then-current annual period on a T&M CP basis. As used in this Contract, "**T&M CP**" or "**Time & Materials Capped Price**" shall mean the performance of Task-Ordered O&M Services on a Time & Materials basis up to the then-current Annual O&M Price Cap, where Boeing bears all expenses in excess of the Annual O&M Price Cap necessary to complete such Task-Ordered O&M Services in the event expenses in the aggregate exceed the Annual O&M Price Cap, all as further set forth in Article 1.4.2.4, including this Article 1.4.2.4.1 and Article 1.4.2.4.2. Completion of all Task Ordered O&M Services shall mean delivery of all such Services, including but not limited to all Deliverables, specified in each Task Order for the current annual period and compliance with all acceptance criteria specified in each Task Order for the current annual period, all subject to the established Annual O&M Price Cap. If Boeing fails to deliver all such Services and/or fails to comply with all acceptance criteria for such Services within the Annual O&M Price Cap, then Boeing shall complete any remaining requirements of such Task-Ordered O&M Services at Boeing's own expense and without any increase in the Annual O&M Price Cap and without any additional cost to Owner. For the avoidance of doubt, while Boeing's incurred expenses for individual Task Orders may be less than or greater than the non-binding Task Order Target Prices for such Task Orders, Boeing agrees to complete the totality of Task-Ordered O&M Services within each annual period for an amount no greater than the then-current Annual O&M Price Cap.

1.4.2.4.2 Revision of Delivery Dates Due to Extraordinary Events. Notwithstanding the terms of Article 1.4.2.4.1, if at any time during the performance of the Task-Ordered O&M Services, an extraordinary event occurs or an issue arises relating to the ICS which is of sufficient magnitude that Owner elects, at Owner's sole discretion, to implement a re-prioritization of the efforts to be undertaken by Boeing, then Owner shall, with Boeing's

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assistance, reprioritize requirements across the totality of then-current Task-Ordered O&M Services, and the Parties shall mutually agree to defer delivery of certain agreed upon Deliverables to a later date within the current annual period or to a date no later than January 31 of the next annual period or to such other due date as mutually agreed by the Parties, with such agreement not to be unreasonably withheld by either Party (“**Revised Delivery Date**”). Such Revised Delivery Date(s) shall not result in a change to: (i) the then-current Task Order Target Price(s); (ii) the then-current Annual O&M Price Cap; or (iii) any succeeding year’s Annual O&M Price Cap. However, the applicable Task Order(s) shall be amended to reflect such Revised Delivery Date(s) and/or other non-price changes resulting from the re-prioritization. By way of example only, events or issues that may justify the reprioritization of Deliverables by Owner would include: [ \*\*\* ... \*\*\* ].

1.4.3 **Task-Ordered Non-O&M Engineering Services**. From time to time, Owner may elect to direct Boeing, pursuant to a Task Order, to perform certain engineering activities which are outside the scope of the Task-Ordered O&M Services, but which pertain to the ICS (“**Task-Ordered Non-O&M Engineering Services**”). Such Task Orders will be issued on a T&M basis as set forth in Annex 5 hereof. If mutually agreed by the Parties, Task Orders for Task-Ordered Non-O&M Engineering Services may also be issued on a firm fixed price basis, with necessary firm fixed price provisions included in the Task Order as required. Owner may terminate a Task Order issued pursuant to the Task-Ordered Non-O&M Engineering Services at any time and at Owner’s sole discretion, subject to [\*\*\*...\*\*\*] advance written notice being provided to Boeing. In the event that Owner elects to terminate a Task Order issued pursuant to the Task-Ordered Non-O&M Engineering Services, then Boeing shall be paid the applicable T&M expenses incurred under such Task Order (or actual costs incurred, plus profit thereon, in the event the Task Order was issued on a firm fixed price basis) through the date such termination is effective, not to exceed the Task Order Target Price for such Task Order.

1.4.4 **Re-Orbit**. Boeing shall perform the engineering, technical and operations Services described in the Statement of Work for Iridium System Re-Orbit, included as Annex 4 hereto, on a firm fixed price basis as provided in Annex 5, Paragraph 6.0 hereof, in support of the ICS, when required pursuant to Articles 9.4, 9.5 and/or 9.6 hereof.

1.4.5 **Key Personnel**. The successful performance of the Task-Ordered O&M Services and Task-Ordered Non-O&M Engineering Services is dependent upon the skills, experience and retention of the Boeing personnel assigned to these efforts and all Boeing personnel assigned for direct charge to such Services are hereby designated as “**Key Personnel**.”

1.4.5.1 **Listing of Key Personnel**. Boeing shall provide a list of Key Personnel to Owner as part of each Task Order for Task-Ordered O&M Services or Task-Ordered Non-O&M Engineering Services. This listing of Key Personnel shall specify the applicable Boeing Labor Category of each Key Personnel as defined in Annex 5, be maintained current by Boeing, and be provided to Owner from time to time on a schedule as agreed upon by the Parties and, in any event, when Key Personnel are changed.

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1.4.5.2 Assignment or Reassignment of Key Personnel. Boeing shall not assign or reassign Key Personnel without the prior notification of Owner. When Boeing desires to assign new Key Personnel, Boeing shall provide reasonable notice to Owner of the proposed assignment and provide justification that such new personnel offer generally equivalent and suitable capabilities compared to Key Personnel previously approved under the Contract. For the purposes of this Article, Boeing personnel shall include personnel subcontracted by Boeing to perform direct labor under this Contract.

1.4.5.3 Qualifications of Key Personnel. Boeing shall ensure that its personnel (including subcontractor personnel) are fully qualified and possess all the skills necessary to perform the Task-Ordered O&M Services and Task-Ordered Non-O&M Engineering Services, as the case may be. If Owner in good faith determines that the continued assignment of any Key Personnel is not in Owner's best interest, then Owner shall provide Boeing written notice to that effect requesting that such personnel be replaced. Promptly after receipt of such request, Boeing shall investigate the matters stated in the request and discuss its findings with Owner. If Owner continues to request replacement of the personnel, Boeing shall so replace such personnel with an individual satisfactory to Owner consistent with applicable law and Boeing's policies and procedures.

1.5 Hybrid Operations Mode; ICS to Iridium NEXT System Transition. This Contract provides for the operations and maintenance of the ICS, which Owner intends to replace with the Iridium NEXT System. In order to support the effective transition from the operations and maintenance of the ICS to the operations and maintenance of the Iridium NEXT System, and by no later than [\*\*\*...\*\*\*], the Parties agree to evaluate a hybrid ICS/NEXT operations mode, including any necessary modifications to the terms of this Contract, subject to the mutual agreement of the Parties. The Parties are mutually committed to implementing the most cost-effective approach for managing the operations and maintenance of the ICS while the network evolves to the operations and maintenance of the Iridium NEXT System.

1.6 Termination of Iridium NEXT Program. Provided that this Contract otherwise continues in full force and effect and has not otherwise been terminated, Owner and Boeing agree that, if at any time prior to the end of the ICS Useful Life, Owner and/or its Affiliates elect to permanently terminate the Iridium NEXT System, Owner and Boeing will amend and restate this Contract to reinstate, on a going-forward basis only, for the ICS, the firm fixed price contract basis that existed immediately prior to the Effective Date of this Contract, including the principal economic terms thereof (namely, the price for Steady State O&M Services for the then-current period and all future periods thereafter that would have applied at the time of such amendment and restatement under the provisions of Annex 5 of this Contract as in effect immediately prior to the Effective Date of this Contract). Notwithstanding the immediately preceding sentence, Owner and Boeing agree that such economic terms shall be equitably adjusted to reflect any change in the scope of work under this Contract (including any increase, decrease or modification of the scope of Task-Ordered O&M Services contemplated by this Contract) that may have occurred on or after the Effective Date of this Contract. For the avoidance of doubt, such amendment and

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restatement shall not include adjustment to any of the terms, conditions, prices or requirements of this Contract in effect from the Effective Date of this Contract through the date that Owner and/or its Affiliates will have elected to permanently terminate the Iridium NEXT System as contemplated above, but only if prior to the end of the ICS Useful Life.

1.7 ICS and Iridium NEXT System Life Cycle [ \*\*\*. . . \*\*\* ]. The Parties will use reasonable efforts to [ \*\*\*. . . \*\*\* ].

## **Article 2. Price, Taxes, and Payment**

2.1 Price. Prices for the Services to be provided under this Contract are as set forth in Annex 5 hereof.

2.2 Taxes.

2.2.1 Definition. “ **Taxes** ” are defined as all taxes, fees, charges, or duties, and any interest, penalties, fines, or other additions to tax, including, but not limited to sales, use, value added, gross receipts, stamp, excise, transfer, and similar taxes imposed by any domestic or foreign taxing authority, arising out of or in connection with the performance of this Contract or the sale, delivery, transfer, or storage of any Services, Owner-furnished equipment, or other things furnished under this Contract. [ \*\*\*. . . \*\*\* ] will be responsible for and pay all Taxes, [ \*\*\*. . . \*\*\* ]. Owner is responsible for filing all tax returns, reports, declarations and payment of any taxes related to or imposed on Owner’s furnished equipment.

2.2.2 Reimbursement of Boeing. Owner will promptly reimburse Boeing on demand, net of additional taxes thereon, for any Taxes (other than income Taxes) that are imposed on and paid by Boeing or that Boeing is responsible for collecting.

2.3 Payment Provisions. Payment provisions for the Services to be provided under this Contract are as set forth in Annex 5 hereof.

## **Article 3. Owner-Furnished Facilities, Equipment, Information, and Third-Party Maintenance and Technical Support Agreements**

3.1 Owner shall make available to Boeing all facilities and equipment necessary to enable Boeing to accomplish the Annex 3 and Annex 4 Statements of Work or any Task Order issued pursuant to this Contract and otherwise available to Owner, so that Boeing may perform the Services required under this Contract. Notwithstanding the preceding sentence, Owner shall not be obligated to provide facilities and equipment which cannot be purchased within Owner’s commercially reasonable annual capital expenditures plan and which Owner does not deem essential for Boeing’s performance of the Task-Ordered O&M Services. Owner shall have access to all facilities at all times, including but not limited to lab access for verification of changes to the ICS and of Boeing’s Services hereunder. Boeing has no obligation under this Contract to provide any facilities or equipment.

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3.2 Title and risk of loss or damage to Owner-furnished facilities, equipment and information shall remain with Owner and shall not pass to Boeing (but without limiting Boeing's indemnification obligation in Article 8.4), and the furnished items shall not be used other than for the purposes of the Contract without the prior written approval of Owner.

3.3 In the event that any Owner-furnished equipment is found to be deficient, damaged or unserviceable when delivered or otherwise made available to Boeing, or becomes lost or unserviceable due to reasons other than willful misconduct or gross negligence on the part of Boeing, or becomes deficient, damaged or unserviceable during normal and proper use while in the physical custody of Boeing, and such deficiency, damage or unserviceability is reported in writing to Owner as soon as practicable after the deficiency, damage, or unserviceability has been discovered by Boeing, then Owner shall arrange for repair, replacement or modifications as appropriate at no cost to Boeing. Owner shall arrange for repair, replacement or modification at its discretion after such consultation with Boeing as is required to minimize any adverse effects on the performance of the Contract.

3.4 Owner shall make available to Boeing the Intellectual Property, data, and other information owned or otherwise available to Owner and necessary to enable Boeing to accomplish the Annex 3 and Annex 4 Statements of Work or any Task Order issued pursuant to this Contract in a usable format. Boeing will use the Intellectual Property so made available only for the purpose of performing under the Contract and in compliance with any nondisclosure or other restrictions to which the use of such Intellectual Property is subject of which Boeing has notice. Boeing has no obligation under this Contract to provide any additional Intellectual Property, data or other information.

3.5 Owner agrees to make available, at Owner's expense, third-party software and hardware maintenance agreements to support Boeing's performance of the Annex 3 and Annex 4 Statements of Work or any Task Order issued pursuant to this Contract.

3.6 Except when caused by: (i) a Boeing equipment and/or facility request which is in excess of Owner's commercially reasonable capital funds and Owner's determination that Boeing-specified facilities and equipment are not essential for Boeing's performance of the Task-Ordered O&M Services as provided in Article 3.1 above; or (ii) Boeing's willful misconduct or gross negligence as provided in Article 3.3 above; failure of Owner to provide the items specified in Articles 3.1, 3.3, 3.4, and 3.5 above within the timeframe requested or suitable for its intended purpose or in the event that any of the items so specified are insufficient in the reasonable judgment of Boeing to allow it to perform the Services otherwise provided for under this Contract or a Task Order, the costs of such items will constitute a change to this Contract or the applicable Task Order for which Boeing shall be entitled to an equitable adjustment to any affected terms of this Contract or the applicable Task Order including but not limited to price or schedule.

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**Article 4. Changes**

Changes, which can be proposed by either Party to this Contract, may be made only by mutual agreement of both Parties hereto. Such changes shall be evidenced by a written agreement executed by authorized representatives of both Parties. No change shall be binding on either Party unless and until such written agreement is fully executed by both Parties. In the event a change is required, Boeing will submit a change proposal that will be negotiated and the results will be incorporated into this Contract. No amendment or waiver of any provision of this Contract of which Motorola is a third-party beneficiary shall be effective without the written consent of Motorola. Motorola is a third-party beneficiary of this Article 4 (Changes).

**Article 5. Acceptance, Inspections and Quality Control**

5.1 Acceptance. Acceptance of Services, including but not limited to acceptance of Deliverables, provided pursuant to a Task Order issued under this Contract shall occur following Owner's timely receipt of individual Services specified in such Task Order, including any Revised Delivery Date, and upon Owner's verification that such Services are in conformance with the requirements of the Task Order. Acceptance shall be deemed to have occurred if Owner has not otherwise notified Boeing in writing of any deficiencies in the Service(s) within [\*\*\*...\*\*\*] following Owner's receipt of a Deliverable or the performance of a Service under such Task Order.

Notwithstanding the above, if Boeing: (i) fails to make timely delivery of any Services within [\*\*\*...\*\*\*] following the due date, including any Revised Delivery Date(s); or (ii) fails to meet the acceptance criteria for any Services under a Task Order for a period of [\*\*\*...\*\*\*] after having been notified by Owner of such failure; then Owner shall have the right to amend the applicable Task Order to remove the sub-task associated with such Services for the remainder of the then-current annual period and for all future annual periods. Such deletion of a sub-task shall be deemed to constitute a reduction in scope of the applicable Task Order and [\*\*\*...\*\*\*], and the terms of such Task Order, including the Task Order Target Price, if applicable, and of the Annual O&M Price Cap shall be adjusted in accordance with Article 1.4.1.2 of this Contract. However, nothing in the preceding two sentences shall relieve Boeing of its obligations under this Article to complete the delivery of Services or comply with the acceptance criteria applicable to Services in accordance with the acceptance requirements stated in this Article 5.1.

Owner shall further have the right to arrange for such deleted sub-task to be performed in any other manner as determined by Owner, and Boeing agrees to pay to Owner all reasonable costs to have such deleted sub-task completed by another responsible contractor, to the extent such costs exceed the total amount which Owner would have had to pay Boeing for the deleted sub-task, as allocated in the annual program plan specified in Article 1.4.2.2.1, had Boeing completed the Services as required; provided, however, that Owner enters into a contract with a responsible contractor within [\*\*\*...\*\*\*] after Owner's issuance of an amendment to the

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applicable Task Order to remove the sub-task associated with such Services that provides for such responsible contractor to complete the deleted sub-task.

5.2 Inspection. Subject to Article 17 (Export Control), Owner's representatives may inspect Boeing's Services, including but not limited to inspection of Deliverables, at any reasonable time, provided such inspection does not interfere with Boeing's performance of its obligations under this Contract.

5.3 Quality Control. Boeing shall maintain quality control consistent with industry standards and in accordance with the performance criteria set forth in the applicable Services, including but not limited to Deliverables, as specified in Article 1.4 of this Contract or any Task Order issued pursuant to this Contract.

#### **Article 6.     Delivery**

Boeing shall deliver Services, including but not limited to delivery of Deliverables, necessary to perform the requirements as specified in Article 1.4 of this Contract on a timely basis within the period of time set forth in Article 1.3.

#### **Article 7.     Excusable Delay**

7.1 General. Boeing and its subcontractors will not be liable for any delay in the scheduled delivery of Services, including but not limited to delivery of Deliverables, or other performance under the Contract caused by: (i) acts of God; (ii) war or armed hostilities or terrorist attack; (iii) government acts, or failure of government to act, or priorities; (iv) fires, floods, or earthquakes; (v) strikes or labor troubles causing cessation, slowdown, or interruption of work; (vi) inability, after due and timely diligence and commercially reasonable efforts, to procure materials, systems, accessories, equipment or parts; or (vii) any other cause to the extent such cause is beyond Boeing's and its subcontractors' reasonable control and not occasioned by Boeing's or its subcontractors' fault or negligence (collectively, "**Excusable Delay**").

7.2 Notice of Delay. Boeing will give written notice to Owner: (i) of any delay as soon as Boeing concludes that its Services will be delayed beyond the scheduled performance due to an Excusable Delay; and, when known, (ii) of a revised performance date based on Boeing's appraisal of the facts.

7.3 Adjustment to Price. In the event of any such Excusable Delay, the performance schedule for the delayed Services shall be extended by mutual agreement of the Parties and the price(s) for the delayed Services shall be adjusted by mutual agreement of the Parties to account for any additional costs incurred by Boeing as a result of such Excusable Delay. Boeing shall exert its commercially reasonable efforts to mitigate such additional costs to the extent reasonable.

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7.4 Performance Impact. In the event of any such Excusable Delay, Boeing shall be relieved of its obligations to meet the performance criteria set forth in the Annex 3 and Annex 4 Statements of Work or any Task Order issued pursuant to this Contract during, and only during, the period of Excusable Delay.

7.5 Exceptions. Notwithstanding anything contained to the contrary in this Article 7 (Excusable Delay), there shall be no Excusable Delay by Boeing for operating and maintaining the Constellation and System Control Segment, as defined in Article 1.4.2, except for the acts or events described in Article 7.1, subparagraphs (i), (ii), (iii), and (iv).

## **Article 8. Indemnification/Insurance**

### **8.1 Insurance Provided by Boeing**

(a) Boeing shall procure and maintain during the performance of this Contract, at its sole cost and expense, Worker's Compensation Insurance covering all employees of Boeing performing any work hereunder in statutory amounts; provided, however, that Boeing may maintain a self-insurance program in lieu of Worker's Compensation Insurance if authorized and qualified to do so pursuant to statutory authority. If Worker's Compensation Insurance is procured, Boeing shall cause its insurers to waive all right of subrogation or recourse against Owner to the extent permitted by law, or to the maximum extent such waiver is available in the Worker's Compensation Insurance commercial insurance market for the class of insurance procured, provided that, in case such waiver is unavailable consistent with prevailing insurance practices at the time, the obligation of Boeing to obtain such waiver shall no longer apply.

(b) Throughout the period of performance of this Contract, Boeing shall carry and maintain Commercial General Liability insurance with available limits of not less than [\*\*\*...\*\*\*] Dollars (\$[\*\*\*...\*\*\*]) per occurrence for bodily injury, including death, and property damage combined. Such insurance shall contain coverage for all premises and operations, broad form property damage and contractual liability.

(c) If licensed vehicles will be used by Boeing's employees in the performance of this Contract, Boeing shall carry and maintain Automobile Liability insurance covering all vehicles whether owned, hired, rented, borrowed or otherwise, with available limits of liability of not less than [\*\*\*...\*\*\*] Dollars (\$[\*\*\*...\*\*\*]) per occurrence combined single limit for bodily injury and property damage.

(d) Boeing shall provide Owner with a Certificate of Insurance evidencing the insurance required above upon request.

### **8.2 Indemnification of Boeing by Owner**

8.2.1 Owner shall indemnify, defend, and hold harmless Boeing, which is defined for the purposes of this Article 8.2.1 to include its divisions, subsidiaries, Affiliates,

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subcontractors, the assignees of each, and their respective directors, officers and employees, from and against any and all Claims in excess of the insurance required under Article 8.3, or in the event the insurance does not respond, is not collectible, or is not recoverable for any reason (other than the default of Boeing), for: (a) injury to or death of any person, and for loss of or damage to any property of any kind of a third party; or (b) [\*\*\*...\*\*\*], both (a) and (b) to the extent resulting from or in any way relating to the performance of Boeing under this Contract, including, but not limited to, development, operation, maintenance, use, re-orbit or de-orbit of the ICS Space Segment or any individual ICS spacecraft, whether or not such injury, death, loss, damage or Claim is due to the negligence of Boeing, together with all costs and expenses (including attorneys' fees incident thereto or incident to successfully establishing the right to indemnity), but excluding injury, death, loss, damage or Claim caused by the gross negligence or willful misconduct of Boeing and excluding injury to or death of any person or loss of or damage to any property of any kind of a third party that occurs in the SNOG or TSC to the extent such injury, death, loss or damage arises out of the negligence, gross negligence or willful misconduct of Boeing. Owner's obligations under this indemnity will survive the expiration, termination or completion or cancellation of this Contract with respect to any Claims arising before such time.

8.2.2 As between the Parties, [\*\*\*...\*\*\*] shall retain all risk of loss, and loss of use, of the Iridium Communications System or any individual ICS spacecraft, except in the event of [\*\*\*...\*\*\*]. Boeing assumes the risk of loss for any direct damage to or loss of property of Owner or its Affiliates other than [\*\*\*...\*\*\*] to the extent arising out of Boeing's gross negligence or willful misconduct. If Owner insures against loss of or damage to the ICS or any individual ICS spacecraft, Owner shall cause the insurers to waive all rights of subrogation against Boeing to the maximum extent such waiver is available in the commercial insurance market for the class of insurance procured. If such a waiver, consistent with prevailing insurance practices at the time, is available only at an additional premium which is specifically attributable to obtaining a waiver of all rights of subrogation against Boeing, then Boeing, at its option, may either pay the additional premium, at no cost to Owner, or waive and release Owner from its obligation to obtain waiver of all rights of subrogation. If a waiver is not available at all, then the requirement will no longer apply, and the parties shall negotiate in good faith a mutually acceptable alternative, provided that during negotiations each party shall continue to perform its respective obligations under this Contract. If the parties are unable to negotiate a mutually acceptable alternative, Boeing agrees to transition the Task-Ordered O&M Services and Task-Ordered Non-O&M Engineering Services under this Contract to Owner, including support of the transfer of personnel, consistent with applicable law, and sale of assets, equipment, and software, if any, owned by Boeing, at book value.

8.3 Insurance Provided by Owner. Owner shall procure and maintain during performance of this Contract, at its sole cost and expense, insurance which specifically includes: (a) the satellite third party in orbit liability insurance policy (the "**In-Orbit Insurance Policy**") in the form attached hereto in Annex 1 or in such other form as is reasonably satisfactory to Boeing and (b) comprehensive general liability insurance (" **General Liability Insurance Policy** "). The In-Orbit Insurance Policy and the General Liability Insurance Policy shall name Boeing, its

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contractors and subcontractors as additional insureds and Owner shall provide Boeing with certificates of insurance annually showing that Boeing is named as an "additional insured" under such policies. Owner shall furnish Boeing with a waiver of its insurance carrier's rights of subrogation, to the maximum extent such waiver is available in the commercial insurance market for the class of insurance procured, provided that, in case such waiver is unavailable consistent with prevailing insurance practices at the time, the obligation of Owner to obtain such waiver shall no longer apply. In the case of the In-Orbit Insurance Policy, in the event of such unavailability, Owner shall promptly notify the U.S. Government of such fact in accordance with the terms and conditions set forth in the U.S. Government Indemnification Contract. In the event any person other than Boeing is named as an additional insured under the foregoing insurance policies (other than any person providing financing to Owner or any of its Affiliates) and such person receives from the applicable insurer a waiver of such insurer's right of subrogation against such person, then Owner shall use its best efforts to ensure that Boeing also will receive a waiver of such insurer's right of subrogation thereunder. With respect to the insurance obligations under this Article, such insurance shall also provide that the insurers shall give [\*\*\*...\*\*\*] notice to Boeing prior to the effective date of cancellation or termination of such insurance. Owner shall provide Boeing with a binder letter and form of policy from its insurance agent no later than [\*\*\*...\*\*\*] before effective date of cancellation. The binder letter shall be included as Annex 13 to this Contract. Boeing shall be responsible and liable to Owner for any increase in premium for the In-Orbit Insurance Policy and General Liability Insurance Policy resulting from Boeing's deviation from the Annex 3 and Annex 4 Statements of Work or any Task Order issued pursuant to this Contract without the prior written consent of Owner.

8.4 Indemnification of Owner by Boeing. Boeing shall indemnify, defend and hold harmless Owner, which is defined for the purposes of this Article 8.4 to include its divisions, subsidiaries, Affiliates, subcontractors, assignees of each, and their respective directors, officers, employees and agents, from and against any and all Claims for injury to or death of any person or loss of or damage to any property of any kind of a third party [\*\*\*...\*\*\*], together with all costs and expenses (including attorneys' fees incident thereto or incident to successfully establishing the right to indemnity), to the extent such injury, death, loss or damage arises out of the gross negligence or willful misconduct of Boeing and, in the case of injury to or death of any person or loss of or damage to any property of any kind of a third party that occurs [\*\*\*...\*\*\*], to the extent such injury, death, loss or damage arises out of the negligence, gross negligence or willful misconduct of Boeing; provided, however, that in no event shall Boeing be obligated to indemnify, defend or hold harmless Owner for or from any and all Claims for injury to or death of any person or loss of or damage to any property of any kind of a third party that occurs [\*\*\*...\*\*\*]. Boeing's obligations under this indemnity will survive the expiration, termination, completion or cancellation of this Contract with respect to any Claim arising before such time.

8.5 Insurance Presentations. Boeing shall, at no cost or expense to Owner, support any and all insurance presentations and technical reviews and claims made as requested by Owner or any of its insurance underwriters for any property or liability insurance Owner may procure with respect to this Contract or ICS.

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## **Article 9. Re-Orbit Rights and Obligations**

9.1 Financial Terms. To enable Boeing to perform the Annex 4 Statement of Work for Iridium System Re-Orbit, if required, Owner shall undertake the following:

9.1.1 Upon the occurrence of a qualifying event specified in Article 9.4, 9.5 and/or 9.6 that initiates Boeing's commencement of Re-Orbit of the Constellation, Owner shall pay to Boeing [\*\*\*...\*\*\*] U.S. Dollars and [\*\*\*...\*\*\*] Cents (\$16,433,712.55) for Boeing Services for Re-Orbiting of the Constellation in accordance with the Statement of Work for Iridium System Re-Orbit included as Annex 4 to this Contract. This amount covers preparation and execution of the de-orbit activity. This amount shall escalate annually effective January 1 of each year. Annual escalation shall be in accordance with Annex 5.

9.1.2 Owner shall provide the In-Orbit Insurance Policy, Section B Coverage as set forth in Owner's insurance agent's binder letter described in Article 8.3 to this Contract.

9.1.3 Owner's insurance agent shall provide a letter to Boeing stating that Schedule A of the In-orbit Insurance Policy (covers in-orbit risks) does not have to be in effect during de-orbit of the constellation that is covered by Schedule B, the de-orbit rider. Schedule B will cover in-orbit risk and de-orbit risk concurrently. The letter shall be included as Annex 14, "Insurance Agent Letter," to this Contract.

9.2 Reserved.

9.3 Reserved.

9.4 Boeing's Rights with Respect to Re-Orbit. The occurrence of any one of the following events shall provide to Boeing the unilateral right to commence Re-Orbit of the Constellation. None of the provisions of this Article 9.4 are subject to dispute under Article 16 (Dispute Resolution) of this Contract or Article 7 (Excusable Delay) of this Contract.

9.4.1 Owner's failure to make contract payments to Boeing in the amounts and on the dates set forth in this Contract after [\*\*\*...\*\*\*] written notice from Boeing;

9.4.2 The commencement of (x) a voluntary bankruptcy proceeding or (y) an involuntary bankruptcy proceeding that is not dismissed within 20 days of its filing, in each case against Owner or Iridium Satellite LLC;

9.4.3 Reserved;

9.4.4 The failure for any reason by Owner to maintain continuous uninterrupted coverage under the In-Orbit Insurance Policy and/or to maintain the availability of policy coverage for Re-Orbiting the Constellation in accordance with the Statement of Work for Iridium System Re-Orbit included as Annex 4 to this Contract;

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9.4.5 Reserved;

9.4.6 If Owner is in Default in accordance with Article 13 (Default by Owner) of this Contract;

9.4.7 Should new or modified U.S. or international regulation requirements threaten to increase the risk of Constellation operation and/or the Re-Orbit process or the cost of operation and/or Re-Orbit. However, Boeing may waive Re-Orbit rights as to increased cost or risk if Owner agrees to execute an acceptable equitable adjustment. Boeing shall provide Owner written notice of its intent to exercise its right under this Article 9.4.7 at least thirty (30) calendar days prior to commencing any Re-Orbit activity.

9.4.8 It is understood by the Parties that, upon the occurrence of any one of the above events, Boeing will promptly begin Re-Orbiting the Constellation in accordance with the Statement of Work for Iridium System Re-Orbit included as Annex 4 to this Contract with the end result being the decommissioning of the entire Constellation.

9.5 U.S. Government's Rights with Respect to Re-Orbit. Upon the occurrence of any event requiring Re-Orbit of the Constellation identified in the U.S. Government Indemnification Contract (which is incorporated herein by reference), Boeing shall have the unilateral right to commence Re-Orbit of the Constellation. None of the provisions of this Article 9.5 are subject to dispute under Article 16 (Dispute Resolution) of this Contract or to Article 7 (Excusable Delay) of this Contract.

9.6 Motorola's Rights with Respect to Re-Orbit. Upon the occurrence of any of the following events, Owner agrees to cause Boeing and Boeing shall promptly perform the tasks and activities set forth in Annex 4 hereto (as updated from time to time) to commence Re-Orbit of the Constellation. None of the provisions of this Article 9.6 are subject to dispute under Article 16 (Dispute Resolution) of this Contract or to Article 7 (Excusable Delay) of this Contract.

9.6.1 Owner's failure to make the payment required by Section 4.A (2) (b) of the Motorola Agreement;

9.6.2 the commencement of (x) a voluntary bankruptcy proceeding or (y) an involuntary bankruptcy proceeding that is not dismissed within 20 days of its filing, in each case against Owner or Iridium Satellite LLC;

9.6.3 a material breach by Iridium Satellite LLC under the Motorola Agreement which has not been cured within 20 days of such breach;

9.6.4 a material breach by Boeing under this Contract or the Motorola Side Letter which has not been cured within 20 days of such breach;

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9.6.5 an order from the U.S. government ordering Owner or Iridium Satellite LLC to direct Boeing to commence Re-Orbiting;

9.6.6 upon written notice from Motorola that it has concluded that there are reasonable grounds to believe that an imminent change in law or regulation is reasonably likely to result in material claims, damages, obligations, costs, liabilities, penalties or expenses to Motorola in connection with or arising from the operation, maintenance, Re-Orbiting and De-orbiting of the ICS, including any terrestrial-based portion of the ICS; *provided, however*, that there are reasonable grounds to believe that the prompt Re-Orbit and De-orbit of the ICS will mitigate such claims, damages, obligations, costs, liabilities, penalties or expenses; and

9.6.7 upon written notice from Motorola that (i) it is unable to obtain on commercially reasonable terms aviation product liability insurance sufficient to protect it from potential claims, damages, obligations, costs, liabilities, penalties or expenses in connection with the ICS, and (ii) the U.S. Government, pursuant to the U.S. Government Indemnification Contract, has not agreed to cover the amount that would otherwise have been paid by the Aviation Policy (as described in the Motorola Agreement), despite Motorola's good faith efforts to comply with Paragraph (c)(2) of the U.S. Government Indemnification Contract.

9.6.8 Motorola is a third-party beneficiary of this Article 9.6.

9.7 Re-Orbit Plan. The value specified in Article 9.1.1 of this Contract is predicated upon Boeing utilizing the U.S. Government coordinated Re-Orbit Plan, as it existed on August 6, 2003, as heretofore amended or any successor plan thereto accepted and approved by the U.S. Federal Communications Commission and compliant with the requirements of the U. S. Government Indemnification Contract. Any changes to this plan by Owner or U.S. Government agency will entitle Boeing or Owner to an equitable adjustment in the affected terms of this Contract including but not limited to price and schedule and insurance costs.

9.8 Relief from Stay, etc. Notwithstanding any other provision of this Contract, Owner acknowledges and agrees, as a freely negotiated, essential condition to and an inducement for Boeing's entry into this Contract, that (a) if Owner becomes a debtor in a case under the U.S. Bankruptcy Code or other bankruptcy or insolvency law, and fails to pay on a current basis, in cash, any amounts payable to Boeing under this Contract or any related agreements, Boeing shall be entitled to obtain (i) immediate relief from the automatic stay or other stay to exercise the De-orbiting Rights (as defined in the Bankruptcy Court Order attached as Annex 8 to this Contract) in addition to its de-orbiting rights under Article 9.4 of this Contract, and (ii) an immediate determination by Owner whether to assume or reject this Contract; and (b) this provision shall be deemed conclusive evidence of the negotiated ongoing intention of the Parties, and is intended to remain the primary element in determining whether cause exists for granting such relief to Boeing.

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**Article 10. Assignment**

10.1 Assignment. This Contract is for the benefit of the Parties and their respective successors and assigns. No rights or duties of either Party may be assigned or delegated without the prior written consent of the other Party, except:

10.1.1 Notwithstanding the foregoing, Owner may, assign or transfer this Contract or all its rights, duties, or obligations hereunder with written notice to Boeing, but without requiring Boeing's approval: (i) to an Affiliate of Owner that has equivalent or greater financial resources as Owner; (ii) to any entity which, by way of merger, consolidation, or any similar transaction involving the acquisition of substantially all the stock, equity or the entire business assets of Owner succeeds to the interests of Owner; provided in either case the assignee, transferee, or successor to Owner has expressly assumed all the obligations of Owner and all terms and conditions applicable to Owner under this Contract and has equivalent or greater financial resources as Owner; (iii) to any designee or customer of Owner or any Affiliate thereof provided that Owner remains primarily liable to Boeing for any payment obligation hereunder; or (iv) to any Affiliate of Owner not meeting the requirements of items (i) or (iii), provided that Owner provides to Boeing an Affiliate guarantee addressing the payment obligations of the relevant Owner Affiliate in a form reasonably agreed by Boeing.

10.1.2 Notwithstanding the foregoing, Boeing may, assign or transfer this Contract or all its rights, duties, or obligations hereunder with written notice to Owner, but without requiring Owner's approval: (i) to a corporation or other entity that results from any merger, reorganization, or acquisition of Boeing; (ii) to a corporation or other entity that acquires substantially all the assets of Boeing; (iii) its rights to receive money may be assigned to a third party; and (iv) to any wholly-owned subsidiary of Boeing provided that Boeing will remain fully and solely responsible to Owner and to Motorola (only to the extent it is a third-party beneficiary) for all responsibilities of Boeing under the Contract.

10.2 Lender Requirements. Except for the restrictions and conditions set forth in Article 19, Boeing shall provide to any of Owner's lenders or financing entities any information that such lender or financing entity reasonably requires and shall reasonably cooperate with such lender or financing entity and Owner to implement such financing. Boeing agrees to negotiate in good faith and issue such documents as may be reasonably required by any Owner lender or financing entity to implement such financing, including a contingent assignment of this Contract to such lender or financing entity, under terms reasonably acceptable to Boeing, but in no event shall Boeing be obligated to agree to anything (including agreement to make modifications to this Contract) that would impair, create a risk to, or otherwise prejudice its rights and benefits hereunder or increase its liabilities or obligations hereunder.

**Article 11. Limited Warranty**

11.1 Limited Performance Warranty.

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11.1.1 Performance Warranty. Boeing represents and warrants that, for a period of [\*\*\*...\*\*\*] following delivery of Services, including but not limited to delivery of Deliverables, such Services shall be conducted in a skillful and workmanlike manner in accordance with the standards, practices, methods, and procedures ordinarily expected from a skilled and experienced provider of satellite operations and maintenance services and associated engineering and software development services.

11.1.2 Remedies for Non-Compliance, Task-Ordered O&M Services. If Boeing is not in compliance with the foregoing performance warranty for any delivered Task-Ordered O&M Services, then upon notification by Owner of such non-compliance, Boeing shall correct the deficiencies in-place or re-perform the non-compliant portions of the Task Order within an incremental period of time not to exceed [\*\*\*...\*\*\*] (or such longer period of time as agreed by Owner) (the “**O&M Cure Period**”), and Boeing shall take all necessary steps to assure such non-compliance shall not occur in the performance of future Task-Ordered O&M Services. Boeing may be entitled to reimbursement of T&M expenses in accordance with Annex 5, Paragraph 3.0, provided that, when such T&M expenses are combined with the actual T&M expenses in the aggregate for all O&M Task-Ordered Services for the then-current annual period, such T&M expenses shall not exceed Boeing’s then-current Annual O&M Price Cap. If Boeing fails to achieve compliance for the affected Task Order within the O&M Cure Period, Boeing shall lose its [\*\*\*...\*\*\*] rights for such affected Task Order or sub-task and Owner shall have the right to delete the sub-task associated with such non-compliant Task-Ordered O&M Services under the Task Order for the remainder of the then-current annual period and for all future annual periods and have such sub-task be performed by Owner and/or by a third party, at Owner’s sole discretion. However, nothing in the preceding sentence shall relieve Boeing of its obligations under this Article to correct deficiencies or re-perform non-compliant portions of a Task Order in accordance with the performance warranty stated in Article 11.1.1 above.

11.1.3 Remedies for Non-Compliance, Task-Ordered Non-O&M Engineering Services. If Boeing is not in compliance with the foregoing performance warranty for any delivered Task-Ordered Non-O&M Engineering Services, then upon notification by Owner of such non-compliance, Boeing shall correct the deficiencies in-place or re-perform the non-compliant portions of the Task Order within an incremental period of time not to exceed [\*\*\*...\*\*\*] (or such longer period of time as agreed by Owner), and Boeing shall take all necessary steps to assure such non-compliance shall not occur in the performance of future Task-Ordered Non-O&M Engineering Services. Boeing may be entitled to reimbursement of T&M expenses in accordance with Annex 5, Paragraph 3.0, provided that such T&M expenses, when combined with Boeing’s actual T&M expenses in the aggregate for the applicable Task Order under which the non-compliant Task-Ordered Non-O&M Engineering Services were delivered, such T&M expenses shall not exceed Boeing’s applicable Task Order Target Price for such Task Order. If Boeing is unable to correct the deficiencies in-place or re-perform the non-compliant portions of the Task Order without exceeding Boeing’s applicable Task Order Target Price for such Task Order, then Boeing shall have no further obligation to perform Task-Ordered Non-

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O&M Engineering Services to correct such deficiencies unless Owner agrees to compensate Boeing on a T&M basis for such Task-Ordered Non-O&M Engineering Services.

11.1.4 Fraud or Willful Misconduct. Owner may, at any time beyond the warranty period set forth above, require Boeing to remedy by correction or re-performance, without cost to Owner, any failure by Boeing to comply with the requirements of this Article if the failure is due to fraud or willful misconduct on the part of Boeing's managerial personnel.

11.2 EXCLUSION. THE WARRANTIES SET FORTH IN THIS CONTRACT ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND THOSE ARISING BY STATUTE OR OTHERWISE IN LAW OR FROM A COURSE OF DEALING OR USAGE OR TRADE.

## **Article 12. Termination for Default**

12.1 If Boeing commits a breach of one or more obligations under this Contract so as to materially endanger performance of the Task-Ordered O&M Services, Owner may terminate this Contract for cause by providing written notice of default to Boeing by registered letter, by nationally recognized overnight courier (e.g., Federal Express), or by facsimile transmission. Such termination of this Contract as a result of default by Boeing shall be deemed effective [\*\*\*...\*\*\*] from receipt by Boeing of such written notice of default or upon such later date as specified in such written notice of default. Boeing has the right to correct such default within the [\*\*\*...\*\*\*] period, or such longer period specified by Owner in the written notice of default, without penalty or loss of rights granted anywhere in this Contract.

12.2 If this Contract is terminated as provided in this Article, Boeing shall:

12.2.1 Be paid the applicable T&M expenses incurred under all currently active Task Orders through the date such termination is effective, not to exceed the Annual O&M Price Cap for the terminated O&M Task-Ordered Services for the then-current annual period;

12.2.2 Reserved;

12.2.3 Upon request by Owner and at Owner's expense, protect and preserve property in the possession of Boeing in which Owner has an interest;

12.2.4 Notwithstanding Article 14.3 of this Contract, Boeing agrees to pay to Owner all reasonable costs to have this Contract completed by another responsible contractor, to the extent such costs exceed the total amount which Owner would have had to pay Boeing for this Contract had Boeing completed the Contract as required; provided however that Owner enters into a contract with a responsible contractor within one (1) year of notification of termination for default to complete the terminated effort;

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12.2.5 Return to Owner all drawings and other technical data associated with the ICS which Owner provided to Boeing in order for Boeing to perform under this Contract.

12.3 If, after Owner's issuance of a notice of default under the provisions of this Article, it is determined for any reason that Boeing was not in default under the provisions of this Article, or that the delay was excusable under the provisions of the Article 7 (Excusable Delay), the rights and obligations of the Parties shall be the same as if Owner defaulted in performance of its obligations under this Contract as provided by Article 13 (Default by Owner).

#### **Article 13     Default by Owner**

In the event Owner fails to perform any obligation which it is required to perform pursuant to this Contract, including without limitation, subject to Annex 5, Owner's failure to make timely payments as required by this Contract, Boeing may, if such failure is not corrected by Owner within [\*\*\*...\*\*\*] after notice of such failure is given by Boeing to Owner, stop work on this Contract (except as otherwise provided herein) and consider Owner to be in default of this Contract. If the Owner is in default of this Contract, Owner shall immediately pay to Boeing, to the extent it had not already done so, payments for all Services completed (payable in full) or in process (payable on a prorated basis) prior to the date when such default by Owner occurs, not to exceed the Annual O&M Capped Price for terminated O&M Task-Ordered Services for the then-current annual period.

#### **Article 14.     LIMITATION OF LIABILITY**

14.1 THE PARTIES TO THIS CONTRACT EXPRESSLY RECOGNIZE THAT COMMERCIAL SPACE VENTURES INVOLVE SUBSTANTIAL RISKS AND RECOGNIZE THE COMMERCIAL NEED TO DEFINE, APPORTION AND LIMIT CONTRACTUALLY ALL RISKS ASSOCIATED WITH THIS COMMERCIAL SPACE VENTURE. THE WARRANTIES, OBLIGATIONS, AND LIABILITIES OF BOEING AND OWNER, AND THE REMEDIES OF BOEING AND OWNER, AND THE LIMITATIONS OF LIABILITY SET FORTH IN THIS CONTRACT FULLY REFLECT THE PARTIES' NEGOTIATIONS, INTENTIONS, AND BARGAINED-FOR ALLOCATION OF THE RISKS ASSOCIATED WITH THIS COMMERCIAL SPACE VENTURE.

14.2 Exclusive Remedies. THE SOLE REMEDIES OF EACH PARTY (AND ITS AFFILIATES AND AGENTS) FOR ANY CLAIMS AGAINST THE OTHER PARTY (AND ITS AFFILIATES AND AGENTS) WITH RESPECT TO ALL CLAIMS OF ANY KIND, WHETHER IN CONTRACT, WARRANTY, STRICT LIABILITY, TORT, OR OTHERWISE, AND WHETHER ARISING BEFORE OR AFTER DELIVERY OF ANY DELIVERABLE ITEM, FOR ANY LOSSES ARISING OUT OF OR RELATED TO THIS CONTRACT OR THE WORK ARE [\*\*\*...\*\*\*], WHICH ARE IN LIEU OF ANY OTHER REMEDIES AT LAW OR IN EQUITY.

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14.3 Limitation of Contractor's Liability. IN NO EVENT SHALL BOEING BE LIABLE TO OWNER AND ITS AFFILIATES AND ASSOCIATES IN AN AGGREGATE AMOUNT THAT EXCEEDS [\*\*\*...\*\*\*]. THE LIABILITY LIMITATION INCLUDES BUT IS NOT LIMITED TO LIQUIDATED DAMAGES, BOEING'S INCURRED COSTS (WHETHER INCURRED IN REPAIR OR REPLACEMENT OF DEFECTS IN DELIVERABLE ITEMS OR IN REPERFORMANCE OF SERVICES) OR ANY PRICE REDUCTIONS OR REFUNDS GRANTED TO OWNER UNDER ANY PROVISION OF THIS CONTRACT.

THE LIMITATION OF LIABILITY WILL APPLY REGARDLESS OF THE FORUM IN WHICH THE CLAIM IS BROUGHT, WHETHER IN COURT OR IN ARBITRATION OR BY NOTICE TO BOEING TO REMEDY A DEFECT, OR WHETHER IT IS PAID AS A RESULT OF A SETTLEMENT. THE AMOUNT OF THE LIMITATION IS CUMULATIVE, AND IS EQUAL TO AN AMOUNT NOT TO EXCEED THE SUM OF THE TOTAL CONSIDERATION PAID BY OWNER TO BOEING UNDER THE ORIGINAL CONTRACT AND THIS CONTRACT. ONCE BOEING HAS PAID OWNER AN AMOUNT EQUAL TO THE LIMIT OF BOEING'S LIABILITY, THEN OWNER WILL NOT HAVE ANY FURTHER RIGHT TO RECEIVE MONEY FROM BOEING FOR ANY CLAIM.

14.4 No Consequential Damages, etc. NEITHER BOEING NOR OWNER SHALL HAVE ANY OBLIGATION OR LIABILITY TO THE OTHER WITH RESPECT TO THE SUBJECT MATTER HEREOF, WHETHER ARISING IN CONTRACT (INCLUDING WARRANTY), TORT (INCLUDING ACTIVE, PASSIVE, OR IMPUTED NEGLIGENCE) OR OTHERWISE FOR ANY CLAIM FOR LOSS OF USE, REVENUE OR PROFIT (OTHER THAN PROFIT FROM PAYMENTS UNDER THIS CONTRACT), OR FOR ANY PUNITIVE, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, WHETHER FORESEEABLE OR NOT.

## **Article 15. Intellectual Property**

### **15.1 Ownership/Confidentiality**

15.1.1 Any specifications, drawings, technical information or other data furnished by Boeing to Owner shall remain Boeing's property, shall be kept confidential by Owner, and shall be returned to Boeing at Boeing's request.

15.1.2 Any specifications, drawings, technical information or other data furnished by Owner to Boeing (including, but not limited to, any Intellectual Property, Patents or other technical information provided to Owner by Motorola under an Intellectual Property Rights Agreement) shall remain Owner's property, shall be kept confidential by Boeing, and shall be returned to Owner at Owner's request.

### **15.2 Indemnity**

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15.2.1 Indemnification by Owner . Owner agrees to indemnify and hold Boeing harmless for any claim by any third party that Owner is not the legal owner or valid licensee of any specifications, drawings, technical information or other data furnished to Boeing by Owner under this Contract.

15.2.2 Indemnification by Boeing . Boeing agrees to indemnify and hold Owner harmless for any claim by any third party that Boeing is not the legal owner or valid licensee of any specifications, drawings, technical information or other data furnished to Owner by Boeing under this Contract.

15.3 Intellectual Property . Intellectual Property means all common law and statutory proprietary rights with respect to intellectual property, including software, patents, patent applications, copyrights, industrial designs, trademarks and service marks (and all goodwill associated with the foregoing), database rights, design rights (whether registered or not), trade secrets, mask work rights, data rights, moral rights, and similar rights existing from time to time under the intellectual property laws of the United States, any state or foreign jurisdiction, or international treaty regime.

15.4 Jointly-Developed Property . Boeing and Owner agree that any specifications, drawings, technical information or other data that is developed under this Contract, to enhance or improve the ICS shall be considered jointly developed Intellectual Property, and each Party may use and exploit such property for its own use and account in addition to its utilization with the ICS.

15.5 Special Projects . To the extent Boeing developed Intellectual Property under the Annex 17 and Annex 18 Special Projects under the Original Contract, and Boeing was paid for its work under such Special Projects, all Intellectual Property shall be owned exclusively by Owner, except as otherwise set forth in the Annex incorporating the Special Project into this Contract.

## **Article 16. Dispute Resolution**

16.1 Procedures . All disputes arising out of or related to this Contract, unless specifically exempted by the language of this Article, will be decided by the internal dispute resolution procedures of this Article 16 (Dispute Resolution) and those other dispute resolution procedures set forth in attached Annex 7 (Dispute Resolution Procedures) or by the courts within the Commonwealth of Virginia as set forth in Annex 7 hereto, in an effort to reduce the incidence and costs of extended disputes. No act, omission, or knowledge, actual or constructive, of a Party will in any way be deemed to be a waiver of the requirement for timely notice of a dispute unless there is an explicit, unequivocal written waiver thereof.

16.2 Internal Dispute Resolution; Notice and Negotiation . Subject to the provisions of Article 16.3, the Parties will, prior to the initiation of any other dispute resolution procedure, attempt to resolve any dispute as follows:

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16.2.1 The Party raising the dispute will provide to the person designated under Article 21 (Notices) of the other Party a notice of such dispute (a “**Dispute Notice**”). The Dispute Notice will include a clear and detailed description of the dispute and the specific provisions of this Contract relevant thereto. Each Party shall within [\*\*\*...\*\*\*] following the day the Dispute Notice is received provide the other with all documentation supporting its position in the dispute. The person designated under Article 21 (Notices) or such other appropriate individual will attempt to resolve the dispute promptly and in good faith.

16.2.2 If the dispute is not resolved within [\*\*\*...\*\*\*] after the receipt of a Dispute Notice by the receiving Party, at either Party’s written request the dispute will be forwarded to its corresponding senior management for resolution. The appropriate senior level managers of each Party will attempt to resolve the dispute promptly and in good faith.

16.2.3 If a dispute has not been resolved within [\*\*\*...\*\*\*] after request by either Party to forward the dispute to its corresponding senior management, the dispute shall thereafter be subject to the provisions of attached Annex 7, Dispute Resolution Procedures.

16.2.4 All negotiations pursuant to these internal dispute procedures will be confidential and will be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

16.3 Injunctive Relief. Notwithstanding any other provision of this Article 16 (Dispute Resolution), either Party will have the right to apply to a court having appropriate jurisdiction to seek interim injunctive relief until the dispute is resolved.

16.4 Co-Party/Third Party Claims. The provisions of this Article 16 (Dispute Resolution) shall not be binding for disputes in the nature of cross-claims, impleaders, or any similar co-party or third-party claims, by one Party against another, resulting from and in connection with any action brought by any person other than a Party to this Contract.

16.5 Intellectual Property Rights. Notwithstanding the foregoing, the provisions of this Article 16 (Dispute Resolution) shall not be binding for disputes arising from or related to either Party’s Intellectual Property rights.

16.6 Third-Party Beneficiary. To the extent that a dispute involves Motorola’s third-party beneficiary rights, Motorola is a third-party beneficiary of this Article 16 (Dispute Resolution).

## **Article 17. Export Control**

17.1 Neither Party shall export, directly or indirectly, any information or technical data disclosed under this Contract to any individual or country which the U.S. Government at the time of export requires an export license or other government approval without first obtaining such license or approval. The Parties recognize that Owner may be comprised of individuals or entities

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for which Owner and Boeing must ensure that no disclosure of technical data is made unless and until Owner and Boeing obtains appropriate export licenses from the U.S. Government.

17.2 Owner agrees to provide to Boeing the information necessary to allow Boeing to evaluate the need to obtain licenses from the U.S. Government. The information will be provided in a timely manner in order to minimize the impact to Boeing's performance of the Annex 3 and Annex 4 Statements of Work or any Task Order issued pursuant to this Contract.

17.3 Boeing shall not be required to perform any work under this Contract requiring export licenses until such licenses have been obtained from the U.S. Government. Any Boeing delay resulting from the lack of an approved export license will be an excusable delay within the meaning of Article 7 (Excusable Delay) hereof.

#### **Article 18. Permits and Licenses**

18.1 Owner shall use its commercially reasonable efforts to defend and maintain all permits, licenses and approvals required by the United States Federal Communications Commission (FCC) or by any applicable U.S. law or regulation, as well as all necessary orbital locations and radio frequency spectrum, to operate the Constellation and to operate the System Control Segment in accordance with their respective terms and conditions.

18.2 Owner shall use its commercially reasonable efforts to operate the Constellation and System Control Segment in accordance with all applicable laws and government regulations.

18.3 Owner shall pay for its costs of applying for, obtaining and renewing the aforementioned approvals, licenses and permits.

18.4 Owner agrees not to take any action or enter into any agreement or arrangement with a third party that conflicts with Boeing's rights and obligations under this Contract, or to act or fail to act in any manner which would interfere with Boeing's aforementioned responsibilities.

18.5 Nothing contained herein shall be interpreted as requiring Boeing to apply for or obtain the blanket mobile licenses to operate subscriber units nor the authorizations necessary to operate gateways in the United States or any other country.

#### **Article 19. Disclosure and Use of Information by the Parties**

19.1 "**Proprietary Information**" is defined as all (i) confidential, proprietary and/or trade secret information and (ii) tangible items and software containing, conveying or embodying such information.

19.2 Except as may be specifically provided otherwise in this Contract, Proprietary Information of Boeing disclosed hereunder to Owner may only be used by Owner for monitoring the progress of the performance of this Contract by Boeing.

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19.3 Except as may be specifically provided otherwise in this Contract, Proprietary Information of Owner disclosed hereunder to Boeing may only be used by Boeing in performance of the work specified in this Contract.

19.4 It is agreed that for a period of [\*\*\*...\*\*\*] following the receipt of Proprietary Information, the receiving Party will use such information only for the purpose(s) provided in Articles 19.2 and 19.3 above as applicable and shall take reasonable efforts to preserve in confidence such Proprietary Information and prevent disclosure thereof to third parties. Each of the Parties agree that it will use the same reasonable efforts to protect the other's Proprietary Information as are used to protect its own but will at least use reasonable care. Disclosures of such information shall be restricted to those individuals directly participating in the efforts provided in Articles 19.2 and 19.3 above who have a need to know such information, and, who have been made aware of and consent to abide by the restrictions contained herein concerning the use of such information.

19.5 The obligation to protect Proprietary Information, and the liability for unauthorized disclosure or use of Proprietary Information, shall not apply with respect to such information which is now available or becomes available to the public without breach of this Contract; information lawfully received without restrictions from other sources; information known to the receiving Party prior to disclosure not subject to a separate nondisclosure obligation; information published or disclosed by the disclosing Party to others, without restriction; information developed by the receiving Party independent of and without use of information disclosed by the disclosing Party; or, information for which further use or disclosure by the recipient is authorized in writing by the disclosing Party.

19.6 Marking. Without limiting the foregoing, all documents, data, and other Deliverables which would be considered Confidential Information or Intellectual Property as provided by this Contract will only be marked: (i) as "Iridium Confidential" or "Iridium Proprietary," if solely owned by Owner in accordance with the terms of this Contract; or (ii) as "Iridium/Boeing Confidential" or "Iridium/Boeing Proprietary," if jointly owned by Owner and Boeing in accordance with the terms of this Contract. Such documents, data, and other Deliverable will not be marked "Boeing Confidential" or "Boeing Proprietary" or with any similar Boeing or third party marking, unless solely owned by Boeing in accordance with the terms of this Contract.

#### **Article 20. Nondiscrimination, Equal Opportunity, and Other Requirements**

During the performance of this Contract, Boeing agrees to comply with all United States federal, state and local laws concerning discrimination in employment and non-segregation of facilities including, but not limited to, the requirements of Executive Order 11246 (41 CFR 60-1.4), Section 503 of the Rehabilitation Act of 1973 (41 CFR 60-741.4), and the Vietnam Era Veteran's Readjustment Assistance Act of 1974 (41 CFR 60-250.4), which equal opportunity clauses are hereby incorporated by reference.

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## **Article 21. Notices**

All notices required by this Contract will be in English, will be effective on the date of receipt, and will be transmitted by any customary means of written communication, including but not limited to registered letter, nationally recognized overnight courier (e.g., Federal Express), or facsimile transmission, addressed as follows:

**Boeing:**

The Boeing Company  
13100 Space Center Blvd.  
Houston, Texas 77059-3556  
Attention: Contracts Manager  
[\*\*\* ... \*\*\*]

**Owner:**

Iridium Constellation LLC  
1750 Tysons Boulevard, Suite 1400  
McLean, VA 22102  
Attention: Chief Legal &  
Administrative Officer

## **Article 22. Miscellaneous**

22.1 Headings. Article and paragraph headings used in this Contract are for convenient reference only and are not intended to affect the interpretation of this Contract.

22.2 GOVERNING LAW. THIS CONTRACT WILL BE INTERPRETED UNDER AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, U.S.A., EXCEPT THAT NEW YORK CHOICE OF LAW RULES SHALL NOT BE INVOKED FOR THE PURPOSE OF APPLYING THE LAW OF ANOTHER JURISDICTION.

22.3 Waiver/Severability. Failure by either Party to enforce any provision of this Contract will not be construed as a waiver. If any provision of this Contract is held unlawful or otherwise ineffective by a court of competent jurisdiction, the remainder of the provisions of the Contract will remain in effect.

22.4 Survival of Obligations. The following Articles of and Annexes to this Contract will survive termination or cancellation of any part thereof to the extent that the rights of a Party thereunder have accrued as of the date of termination or cancellation: those relating to Article 8 (Indemnification/Insurance), Article 9 (Re-Orbit Rights and Obligations), Article 14 (Limitation of Liability), Article 15 (Intellectual Property), Article 19 (Disclosure and Use of Information by the Parties), Article 22 (Miscellaneous), Annex 17 (Group Call Functionality), and Annex 18 (Broadband Functionality).

22.5 Reserved.

22.6 Order of Precedence. In the event of inconsistency among or between this Contract, the Annexes to this Contract, including Statements of Work, and Task Orders, such inconsistency shall be resolved by giving precedence in the order set forth below:

1. Annexes 17 and 18;

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2. Articles 1 through 22 of this Contract;
  3. The Annexes to this Contract (other than Annexes 17 and 18), including Statements of Work; and
  4. Task Orders.

provided, however, that if a Task Order expressly provides that such Task Order or any provision thereof shall take precedence over this Contract (Articles 1 through 22, excluding Articles 4, 9 and 14, and the Annexes), such Task Order or the applicable provision(s) thereof shall take precedence over Articles 1 through 22, excluding Articles 4, 9 and 14, and the Annexes, as applicable. In no event shall a Task Order take precedence over Articles 4, 9 or 14 hereof.

22.7 Laws. Each Party warrants that in the performance of this Contract, it will comply with all applicable federal, state, local and foreign laws and ordinances and all lawful orders, directives, rules and regulations thereunder (collectively “**Laws**”).

22.8 Security and Access to Facilities and Information. Boeing shall follow the security procedures specified from time to time by Owner. Without limiting the foregoing, the following procedures will be followed in providing Owner with unrestricted access to facilities and information pertaining to Boeing’s performance of this Contract:

22.8.1 Owner shall have access to Owner-furnished facilities at all times, including but not limited to all meetings at the Satellite Network Operations Center (SNOC) and the Technical Support Center (TSC).

22.8.2 Owner shall have full and unrestricted access to Services and Deliverables and to such Services and Deliverables prior to completion, including but not limited to all information pertaining to the operation and maintenance of the ICS except as otherwise provided in this Contract.

22.8.3 All Deliverables shall be placed on servers owned and controlled by Owner and/or its Affiliates.

22.8.4 Access to the above facilities and information shall be provided on a reasonable basis, consistent with Boeing’s policies (and requiring compliance with applicable law) and is not intended to interfere with Boeing’s ability to perform as required under this Contract.

22.9 Reserved.

22.10 Use of Owner’s Facilities. Boeing is not authorized to and shall not utilize Owner’s facilities in the performance of any other Boeing business, except as specifically required for the performance of Services hereunder.

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22.11 Motorola as Third-Party Beneficiary . The Parties acknowledge that Motorola is an express third-party beneficiary of certain provisions of the Original Contract as set forth therein and that neither of the Parties intends that this Contract or any of the amendments to the Original Contract effected hereby affect any of their respective obligations to Motorola thereunder, all of which shall remain in full force and effect.

22.12 Employee Nonsolicitation . Each Party agrees that, for the entire period of the Contract term, and continuing for [\*\*\*...\*\*\*] after the termination or completion of the Contract (as it may be extended or otherwise amended), neither Party nor any of its successors shall directly or through any recruiting agency, headhunter or similar entity or person acting on its behalf, solicit or recruit any employee of the other Party (which as to Boeing means any previous or current Key Personnel as defined in this Contract) (“ **Covered Employee** ”). If any Covered Employee should freely resign from a Party, and provided that the other Party had not previously solicited or recruited such Covered Employee, then such other Party will be free of this restriction. The list of Covered Employees may be provided by a Party or its successor(s) at any time on or before a contract termination and/or the sale or other transfer of a majority of Owner’s assets. This Article 22.12 shall survive this Contract’s termination.

22.13 Entire Agreement . Except to the extent set forth in Article 22.11, this Contract as between Boeing and Owner constitutes the entire agreement between the Parties and supersedes all prior understandings, commitments, and representations, if any, of the Parties with respect to the subject matter hereof. As between Boeing and Owner, it is understood and agreed that the letter agreement between Boeing and Motorola dated December 11, 2000 (the “ **Motorola Side Letter** ”) shall in no way affect the relationship between Boeing and Owner under the Original Contract, this Contract or otherwise. Nothing contained herein shall in any way affect or impair any of the rights or obligations of Boeing or Motorola under the Motorola Side Letter. Except as expressly set forth in this Contract, neither Boeing nor Owner has relied on the representations of the other Party in entering into this Contract. Owner and Boeing are knowledgeable commercial Parties in the subject matter of this Contract, which the Parties negotiated at arms’ length.

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**THE BOEING COMPANY****IRIDIUM CONSTELLATION LLC**By: /s/ Danny WhiteBy: /s/ John BrunetteName: Danny WhiteName: John BrunetteTitle: Manager, ContractsTitle: Chief Legal & Administrative OfficerDate: July 21, 2010Date: July 21, 2010

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# **Annex 1**

## **In-Orbit Insurance Policy**

*See Appendix I, Referenced Documents for  
Amended and Restated Contract No. BSC-2000-001:*

*Tab A  
Satellite Third Party In-Orbit Liability Insurance,  
Policy No. [\*\*\*...\*\*\*], dated 11 December 2009*

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# **Annex 2**

## **Reserved**

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# **Annex 3**

## **Statement of Work for Iridium<sup>®</sup> System Operations and Maintenance**

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**Annex 3**  
**S T A T E M E N T O F W O R K**  
**FOR**  
**I R I D I U M ® S Y S T E M**  
**O P E R A T I O N S A N D M A I N T E N A N C E**

**1.0 SCOPE OF OPERATIONS AND MAINTENANCE**

1.1 Scope

Pursuant to the Amended and Restated Contract (this Contract), Task Orders will be issued based on the scope of work specified in this Annex 3. Notwithstanding anything in this Contract to the contrary, in the event one or more Task Order(s) omits any scope as set forth below, Boeing shall continue to provide such scope of work as Services hereunder.

Boeing's responsibilities shall include the following:

(a) operate and maintain the ICS. This responsibility shall not extend to satellites that were inoperable on the effective date of the Original Contract or that become inoperable after the effective date of the Original Contract.

(b) work on improvements to (vs. maintenance of) ICS capacity, quality of service and/or operational enhancements, or development of new capabilities, will be accomplished through authorized Project Description Documents, as that term is defined in the Ground Systems and Space Systems Task Orders identified in Annex 6 to this Contract.

(c) support and implement Gateway Earth Terminal availability to meet service and availability level requirements;

(d) support the North American (U.S.) gateway, the Hawaii gateway, one (1) U.S. or non-U.S. gateway. In addition, Boeing will support other Gateways as identified by Owner. As these other Gateways are identified they will be added to this Statement of Work and may result in Boeing requesting a change in the applicable Task Order under this Contract unless it can be accomplished within the Task Orders specified in subparagraph (b) above.

(e) perform continuous improvement and quality of service verification; and

(f) operate and maintain the Technical Support Center (TSC);

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For each of the responsibilities above, Boeing will perform the duties and activities as follows:

- (1) operations;
- (2) software and hardware maintenance and mutually coordinated enhancements, all in accordance with historical practices;
- (3) provision and replacement of Gateway Field Replaceable Units (FRUs) and System Control Segment FRUs;
- (4) overall system engineering, analysis and investigation;
- (5) fault detection, isolation, and resolution;
- (6) system improvement, capacity projections and expansion; and
- (7) communications between the Owner and Boeing

Boeing shall use commercially reasonable efforts to operate and maintain the Space System, to the extent within its control, to the Service Level Specifications for the following measurements:

- (1) [\*\*\*. . .\*\*\*];
- (2) Quality of Services; and
- (3) [\*\*\*. . .\*\*\*].

### 1.2 Owner Provided Services

Owner will provide (and will require the Gateways to provide) Boeing with reasonable cooperation and assistance in connection with the products and activities described in this Contract. Such cooperation and assistance will be in accordance with normal operating procedures to minimize system disruption. In connection therewith, PSTN and system access and usage will be provided at no cost.

### 1.3 Glossary of Terms

Constellation or Space Segment – That part of the Iridium Communications System consisting solely of the Space Vehicles (also called satellites) in low earth orbit. It does not include the System Control Segment, Gateways, Iridium Subscriber Units (ISUs), Multiple Access Units (MXUs) or other components.

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Earth Terminal (ET) – The tracking antenna and RF terminal utilized for Ka Band communication with the Space Vehicles.

Field Replaceable Unit (FRU) – Hardware components that are replaceable in the field by sub system specialists. Typically this includes plug-in electronic boards and shelves that are maintained in the spares inventory.

Gateways (GW) – These organizational structures encompass the ground based facilities supporting the subscriber billing/ information functions in addition to call processing operations and the connection of the IRIDIUM subscriber communications through the Public Switched Telephone Network (PSTN).

Ground Stations – Collectively, all Gateways, the Teleport Network, the SNOC, and TTACs facilities, each as defined in this Contract, including all equipment, software, documentation and OSDN interconnects incorporated therein.

IRIDIUM Communications System (ICS) – As defined in Article 1.2.10 of this Contract.

Network Element – An active call processing, message delivery, or data transport hardware, software or system operated and managed by Owner.

Operations and Maintenance Support Escalation Levels – The escalating levels for reporting an ICS network defect or issue in accordance with Owner's standard defect reporting procedures, including the following Tier 1 through Tier 4 levels:

Tier 1 – Personnel that have direct contact with ICS equipment, i.e. the site personnel.

Tier 2 – Personnel that have the next level of knowledge to assist remote site personnel with anomaly resolution, i.e. SNOC personnel.

Tier 3 – Engineering personnel that have subject matter expertise to provide the next level of assistance to provide SNOC and site personnel with anomaly resolution. This level of engineering support will also address existing or new defect identification.

Tier 4 – Depot level support responsible for repair or replacement of failed field replaceable units. This level is also responsible to correct or find a work-around to software defects. This can be accomplished either at Owner's Technical Support Center or at a vendor facility.

Operational Support Data Network (OSDN) – The secure data communications network dedicated to data communications among the Ground Stations used for the transport of ICS-related network management and mission data information.

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Satellite Network Operations Center (SNOC) – SNOC is the operations center for the entire ICS. SNOC provides real time operations coordination and management for both: the Space System i.e. Constellation, OSN and TTACs, as well as the terrestrial network i.e. Gateways, MTC and ODN.

Service Level Specification – An agreed upon set of metrics to verify the performance (or service provided by) the ICS (its individual components or operations/support personnel) are being maintained at a specified level.

Space Segment or Constellation – That part of the Iridium Communications System consisting solely of the Space Vehicles (also called satellites) in low earth orbit. It does not include the System Control Segment, Gateways, ISUs, MXUs or other components.

Space System – The integrated combination of the Space Segment and the System Control Segment.

Space System Operations Plan – Documentation that details the operation of the Space System and the actions required to retain its performance characteristics at the levels provided in the Space System Statement of Work. It also describes the operations of the entire IRIDIUM Communications System.

Space Vehicle (SV) – The terms Space Vehicle and Satellite have the same meaning throughout this Contract and refer to the individual or multiple satellites that comprise the Constellation.

Spare Space Vehicle – A Space Vehicle not currently in mission orbit. Spare Space Vehicles will be stored in a Spares Orbit for later insertion into mission orbit.

Subscriber Unit Segment – This term refers collectively to the individual equipment units used by subscribers and capable of initiating and/or receiving communications through the IRIDIUM Communications System. These include all devices (either single or multiple) used on land sea or air for voice telephony, paging, FAX, Data or other services.

System Control Segment (SCS) – The term refers to the various ground based sites, equipment and facilities used to manage and control the individual Space Vehicles of the Constellation, and the communications links of the IRIDIUM Communications System. The System Control Segment is composed of the SNOC, TTACs, Message Termination Controller (MTC), ODN and the OSN.

Technical Support Center (TSC) – The Technical Support Center provides maintenance support comprised of technical experts and laboratory facilities. The TCS analyzes and resolves of SCS, SV, or GW anomalies, tracks and analyzes technical metrics, and implements/validates approved ICS enhancements.

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Telemetry Tracking and Command (TTAC) – The TTACs provide the interface via ET for the SCS or SNOC to communicate with and control the SVs. The TTACs are utilized for real time management and control of the Constellation as well as tracking and control of SV launches. TTACs also provide the interface for the MTC to route paging messages to the Constellation.

Teleport Network – the geographically diverse collection of feederlink terminals connected using high availability ground communications to provide multiple access points among and between the ICS Space Segment, System Control Segment, Gateways and NEXT. The Teleport Network exists in both the ICS and NEXT and provides communications both within the ICS and among and between the ICS and NEXT.

Unplanned Outage – Any unplanned service interrupting or performance degrading event that occurs during normal operations caused by a fault to any hardware, software or service.

## **2.0 OPERATIONS & MAINTENANCE REQUIREMENTS**

The following paragraphs specify the Operations and Maintenance requirements.

### **2.1 Space System O&M**

This paragraph sets forth the requirements to operate and maintain the Space System.

Changes in operations process require a notification to Owner.

Owner shall be notified, per agreed to notification procedures, of occurrence of any condition that puts the Iridium Communications System in a “hazardous condition.” “Hazardous conditions” will be determined by Owner from time to time and notified to Boeing.

Boeing shall prepare and submit to Owner the following reports in the frequency specified:

- (a) [\*\*\*. . .\*\*\*].
- (b) [\*\*\*. . .\*\*\*].
- (c) [\*\*\*. . .\*\*\*].

#### **2.1.1 Constellation Control and Maintenance**

Boeing shall use commercially reasonable efforts to operate, monitor, repair and maintain the software (and applicable ground hardware) of the Space System (including the individual Space Vehicles but excluding such software or hardware, if any, provided by or

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through Owner (and not by or through Boeing or at Boeing's request) as necessary to maintain service in accordance with the Service Level Requirements.

All critical system anomalies shall be investigated within a reasonable time period with the word "reasonable" defined by the circumstances of the situation itself, root causes established and necessary work-arounds/fixes identified, developed and implemented by Boeing and Owner, all as further specified in the Satellite Network Operations Center (SNOC) & Technical Support Center (TSC) Fault Escalation and Notification Process and other historical processes.

Boeing shall support Owner in the disposition of satellite assets by providing data and a recommendation with regard to [\*\*\*. . .\*\*\*]:

(1) [\*\*\*. . .\*\*\*]

(2) [\*\*\*. . .\*\*\*]

(3) [\*\*\*. . .\*\*\*]

(4) [\*\*\*. . .\*\*\*]

(5) [\*\*\*. . .\*\*\*]

(6) [\*\*\*. . .\*\*\*]

(7) [\*\*\*. . .\*\*\*]

(8) [\*\*\*. . .\*\*\*]

(9) [\*\*\*. . .\*\*\*]

[\*\*\*. . .\*\*\*].

[\*\*\*. . .\*\*\*].

## 2.2 Gateways O&M Support

Boeing shall provide Gateway operations and maintenance support to Owner for maintaining the operating state of the network equipment within design specifications (or other agreed upon performance levels).

Boeing shall be responsible for the initial diagnosis and isolation of reproducible Gateway equipment hardware malfunctions.

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Boeing shall replace or repair [\*\*\*...\*\*\*], failed Gateway and TTAC Owner provided FRU's. Replacement FRU's may be newly manufactured equipment or re-manufactured equipment performing to new equipment standards. Owner shall be responsible for the cost of the materials, maintenance of inventory and shipping the failed FRU's to Boeing, postage paid, and for all customs and duties related to the shipment, in accordance with existing Owner procedures.

Boeing shall provide a single point of coordination (e.g. GTAC) to each Gateway for the return of failed FRU's.

### 2.3 Gateway Technical Support

Boeing shall provide technical assistance to the Gateways for the support of all Gateway/ICS hardware and software. [\*\*\*...\*\*\*].

The Gateway Technical Assistance Center (GTAC) shall be the point of contact for all Gateway technical assistance consisting of Trouble Analysis Support and Software Implementation Support.

The GTAC shall be available to provide Owner with telephone-based technical consultation 7 days per week, 24 hours per day. In addition to GTAC personnel, GTAC functions can also be handled by qualified SNOC personnel to provide the 7 by 24 coverage.

The GTAC staff employed by Owner shall follow Boeing-established trouble ticket tracking procedures for all Gateway equipment problems, including Logging, Reporting, Tracking, Escalation and Closure.

Problems reported through GTAC shall be compiled and analyzed in terms of trend analysis and quality metrics tracking. Reports will be the same form as after action reports defined in Section 2.1 item (c) and Section 3.3.2.

The GTAC staff shall aid the Gateway operators to confirm problem isolation and troubleshooting. Problems that cannot be directly resolved by the GTAC staff will be escalated to Contractor Engineering or the Subsystem supplier as appropriate using established procedures that meet the Service Level Requirements.

The GTAC staff shall also provide assistance to the Gateway operators during the installation of new Software releases, including on-site installation for new Major Software Releases [\*\*\*...\*\*\*].

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### 3.0 SPACE SYSTEM AND GATEWAY SERVICE LEVEL REQUIREMENTS

#### 3.1 Performance

Boeing shall use its commercially reasonable efforts to maintain the [\*\*\*...\*\*\*]. Boeing shall take all reasonable steps to keep the ICS operating, subject only to events which are beyond the control of Boeing. Any changes to the level of service will require the consent of Owner.

Boeing will be responsible for the following:

- (a) quality of service, system performance, and availability; and
- (b) response and resolution times for anomalies.

#### 3.2 Service Level Requirement Definitions

The Space System and Gateway Service Level Requirements are defined in terms of:

- (1) [\*\*\*...\*\*\*]; and
- (2) [\*\*\*...\*\*\*].

Boeing and Owner shall mutually agree on the data collection and data analysis techniques used to generate the service level measurements. Results of service level measurements shall be reported to Owner together with recommendations for corrective or other actions within a reasonable timeframe. Any service affecting decision to any system, subsystem, or element of the communications system shall be implemented in accordance with Owner's approved change control process.

#### 3.3 Maintaining Quality of Service

A high level of quality of service will be maintained by Boeing by utilizing a combination of continuous process improvement initiatives, Fault Escalation processes, an awards and recognition program to support high performance levels, and training initiatives.

##### 3.3.1 Continuous Process Improvement

Tactical and strategic continuous process improvement initiatives will be maintained for every aspect of the operation. All system outages will be analyzed until a root cause is determined. Corrective actions will then be assigned and tracked until closure. Sub-processes associated with continuous process improvement include [\*\*\*...\*\*\*] outage meetings and metrics and weekly Quality of Service (QoS) Review meetings and metrics.

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#### 3.3.1.1 [\*\*\*...\*\*\*] Outage Meeting

[\*\*\*...\*\*\*]. An anomaly report will also be assigned to the appropriate POC at this meeting and completed within 48 hours of the assignment.

#### 3.3.1.2 Quality of Service Review

The purpose of the QoS Review is to serve as a mechanism for identifying operations problems which impact or have the potential to impact telephony or messaging service, and to determine and track corrective actions. The net result of actions performed by the QoS Review should be a continuous improvement in the performance of the Iridium System.

##### 3.3.1.2.1 Scope

The QoS Review will address operations issues which directly impact service or issues which have the potential, if left uncorrected, to impact service. Other anomalies which do not meet the above criteria will be handled through other processes.

##### 3.3.1.2.2 Operations Problem Identification and Resolution Process

Although operations problems may be identified from several sources, the [\*\*\*...\*\*\*] Satellite Network Operations (SNO) Outage Report is the primary source for operations problem identification. The resolution of operations problems will be provided by the generation of either an action item to develop or modify an operations procedure, or the generation of a system design defect/feature requirement.

##### 3.3.1.2.3 Action Items Process

Action items will be developed for operations problems that are identified in the [\*\*\*...\*\*\*] SNO Outage Report. The QoS Review Facilitator will develop action items with the responsible manager(s) as needed to ensure an accurate description and an appropriate course of action for problem resolution. An QoS Review Facilitator will enter these operations problems into the Issues Database as a means for generating, assigning, and tracking action items.

Operations action items may also be developed as identified in the QoS Review meeting or by other operational organizations. Action items contained in Anomaly Reports will be reviewed in the QoS Review and restated as needed. These Anomaly Report action items will be entered into the Anomaly Report Database and tracked by the QoS Review Facilitators. Although the QoS Review process will not track all operations related issues that are entered into the Issues Database, any SNOC staff member can identify an issue that needs development into an action item and that should be tracked by the QoS Review. The originator of these issues must coordinate with the QoS Review Facilitators on these issues.

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Once an operations problem is entered into the Issues Database the resulting action item will be tracked by the QoS Review Facilitators. The QoS Review Facilitators will generate an QoS Review Action Items Status Report as a means of tracking the status and reporting progress against these action items. This report will include the action item number, description, lead responsibility, opened date, due date, and status. The QoS Review process reports action item closure status as a part of the [\*\*\*...\*\*\*] review process.

The status of each QoS Review action item will be reviewed by the QoS Review Facilitator with each of the Action Item Leads prior to each weekly QoS Review meeting. It is the responsibility of the Action Item Leads to ensure closure of their action items. Action items may be closed only after the Action Item Lead has provided hardcopy of the required, approved documentation to the QoS Review Facilitator. Action items that have been closed during the previous [\*\*\*...\*\*\*] will be noted in the Action Item Status Report that is distributed at the next QoS Review meeting. Closed action items will be archived by the QoS Review Facilitators in a separate report that is available for review.

#### 3.3.1.2.4 Defects Process

In addition to action items, new defects or features may be generated as a result of the SNO Outage Report process. An QoS Review facilitator will develop defects with the responsible manager(s) as needed and will coordinate with a CMVC administrator to ensure that the defects are entered into the CMVC system. Defects may also be developed as identified in the QoS Review meeting. The Boeing process reports defects and associated outage issues as a part of the [\*\*\*...\*\*\*] outage review, QoS Review and SPR

#### 3.3.2 Fault Escalation Processes

Boeing shall comply with the approved Satellite Network Operations Center (SNOC) & Technical Support Center (TSC) Fault Escalation and Notification Process, as such process may be amended and approved by Owner from time to time.

#### 3.3.3 Awards and Recognition

Awards will be given to individual members of the operations team that have exhibited outstanding performance in the execution of their jobs. These awards encourage continuous improvement by the individuals and enhance operations effectiveness. The awards are determined by Boeing program management.

#### 3.3.4 Training

Every shift position at the SNOC has a rigid certification process. Every individual working operations must complete this certification process prior to working unsupervised. The process consists of three parts, initial classroom instruction, on the job

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training, and recurring training. The average duration for a certification is approximately [\*\*\*...\*\*\*].

#### **4.0 SUSTAINING ENGINEERING**

Boeing shall maintain, as part of the sustaining engineering effort, a core Space System and Gateway analysis/investigation team whose focus is to analyze system performance, using both customer data (e.g. CDRs) and customized test results, to understand the causes of limitations in the overall service delivery to the customer.

If the limitation is due to a critical defect in one of the Space System or Gateway segment components, a defect shall be written and assigned to the responsible party for resolution. If the limitation is due to a design limitation/characteristic, then the Boeing engineering team shall consult with Owner within a commercially reasonable timeframe on potential design changes that will improve system performance beyond the current design limit.

All network changes shall be implemented in accordance with Owner's approved change control process. A Service Impact Request (SIR) shall be submitted for approval of any change that presents a potential service impact and may place a network element in a high-risk condition. All network changes shall be reviewed and a pre-upgrade/ pre-installation conference between Boeing and Owner will be conducted before the upgrade is implemented (e.g., ODN/OSN rerouting, Gateway upgrades).

Boeing agrees to work with Owner to implement and report upon a Continuous Improvement Program with the objective of enhancing the overall ICS contingent on the reasonable availability of resources. Suggested areas to be addressed include the following:

- (1) [\*\*\*...\*\*\*];
- (2) [\*\*\*...\*\*\*];
- (3) [\*\*\*...\*\*\*];
- (4) [\*\*\*...\*\*\*]; and
- (5) [\*\*\*...\*\*\*].

#### **5.0 STAFFING REQUIREMENTS**

Throughout the performance of this SOW, Boeing shall maintain a professional staffing level with the skills necessary to comply with the requirements of this SOW.

##### **5.1 Functions Performed**

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(1) Perform constellation control, maintenance, and gateway O&M technical support. This support includes daily operations planning, execution, monitoring, and maintenance of the satellite network, TTACs, and gateways. This also includes the diagnostic and recovery procedures for anomalies that occur within the network infrastructure.

(2) System modifications to maximize system availability, capacity, and diagnostics, reduce operational maintenance, improve reliability, and extend life expectancy. This also includes defect resolution, operational process and logistic improvements, capital cost reductions and incorporation of new service features and offerings.

**The following outlines the functions performed (this list may be amended from time to time as necessary to reflect Boeing's support of all subsystems included within the then-current Iridium commercial baseline):**

**Iridium Operation Monitoring and Control**

- Mission Director
- Flight Operations Specialist
- Real Time State (RTS) of Health Engineering & Analysis
- Telemetry, Tracking and Control (TTAC) and Network Operators
- Control Facility Operators

**Iridium Mission Operations**

- Mission Planning Analysts
- Mission Orbital Engineers and Analysts
- Control Facility Analysts
- Mission Operations System Engineering
- Mission Ops Training

**Iridium Spacecraft Subsystem Engineering Expertise**

- Power (Batteries and Solar Arrays)
- Attitude Determination
- Attitude Control
- L-Band Hardware
- K-Band Hardware
- Thermal Control
- Main Mission Antenna

**Iridium Payload Software Domain Engineering Expertise**

- L-Band Functional Software
- K-Band Functional Software
- Telephony Software
- Main Mission Antenna Manager
- Crosslink and Feederlink Functional Software
- Core Bus Software
- Build & Release Install & Audit (BRIA) Payload Software

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Iridium Operation Monitoring and Control

- Mission Director
- Flight Operations Specialist
- Real Time State (RTS) of Health Engineering & Analysis
- Telemetry, Tracking and Control (TTAC) and Network Operators
- Control Facility Operators

Iridium Mission Operations

- Mission Planning Analysts
- Mission Orbital Engineers and Analysts
- Control Facility Analysts
- Mission Operations System Engineering
- Mission Ops Training

Iridium Spacecraft Subsystem Engineering Expertise

- Power (Batteries and Solar Arrays)
- Attitude Determination
- Attitude Control
- L-Band Hardware
- K-Band Hardware
- Thermal Control
- Main Mission Antenna

Iridium Payload Software Domain Engineering Expertise

- L-Band Functional Software
- K-Band Functional Software
- Telephony Software
- Main Mission Antenna Manager
- Crosslink and Feederlink Functional Software
- Core Bus Software
- Build & Release Install & Audit (BRIA) Payload Software

Iridium Satellite Control Station Software Domain Engineering Expertise

- Mission Planning Software
- Orbit Service Software
- Satellite Control Software
- COMET Software
- Infrastructure Domain Software
- Integrated Network Management Software
- Satellite Control Databases
- SVDB Database Analyst
- Real Time Products (RTP) Analyst
- Build of Material (BOM) tools
- BRIA SCS Software

Iridium Ground Network Software Domain and Configuration Management Expertise

- Messaging
- Earth Terminal Communication Sub-system (ECS)
- Siemens D900 Equipment

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- Earth Terminal Transmission Sub-system (ETS)
- Operations Maintenance Control - Gateway (OMC-G)
- Operations Maintenance Control - Radio (OMC-R)
- Unix Administration
- CISCO Administration
- PC Support
- CMVC/Clearcase Administration
- BRIA Administration
- COTS Administration

Iridium Integration and Test Domain Expertise (Unique from Development Above for Verification)

- Lab Operations Support
- Test Conductors
- Lockheed Bus Control Software (LBCS)
- K-Band
- L-Band
- AVVA
- Orbit Services
- Satellite Control
- Mission Planning
- Telephony
- ETS
- MTC
- ET
- Subscriber Equipment

Service Management

- Service Quality Monitoring
- System Simulation, Modelling and Tools
- Service Quality Troubleshooting and Analysis
- New Products and Feature Support

Program Management

- Logistic Support for TTAC, Gateways, Backlot and TVC
- Technology/Export Compliance
- Project Planners
- Facility Managers

## **5.2 Annual Activity Planning**

Each year in October Boeing shall seek approval of the annual project plans related to system improvement activities and significant operational and maintenance initiatives to be accomplished in the following calendar year. Each major activity shall include objectives, cost benefit, milestone descriptions, milestone dates, effort and capital resources required and risk assessment for review. Progress in achieving project plans shall be reviewed at each Monthly Program Review.

Flexibility must be maintained to reprioritize activities in support of evolving needs and objectives. Redirection in priorities and consequences shall be reviewed in the Monthly Program Reviews.

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# **Annex 4**

## **Statement of Work**

### **for**

## **Iridium<sup>®</sup> System**

## **Re-Orbit**

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**Annex 4**  
**S T A T E M E N T O F W O R K**  
**FOR**  
**I R I D I U M ® S Y S T E M**  
**R E - O R B I T**

In the event any of the conditions included in Articles 9.4, 9.5 and/or 9.6, then Boeing will proceed with Re-Orbit of the active Iridium Constellation (as that term is defined in the Annex 3 Statement of Work). The Re-Orbit will be accomplished in accordance with the Boeing Re-Orbit Plan, Revision X2, dated August 6, 2003, as heretofore modified (the “ **Boeing Plan** ”), which has been established from the government-coordinated Motorola Re-Orbit Plan (as it existed on September 7, 2000) or any successor plan thereto accepted and approved by the U.S. Federal Communications Commission and compliant with the requirements of the U. S. Government Indemnification Contract.

The Boeing Plan includes satellite groupings, operations procedures, Re-Orbit schedule and command sequences (safemode and passivation).

The Boeing Plan will be reviewed and updated [\*\*\*...\*\*\*] to accommodate any changes to the Constellation or ground systems.

Boeing will perform the following activities during the quarterly review and update cycles.

1. Review and update SV grouping plan and Re-Orbit schedule.
2. Review and update all procedures related to Re-Orbit to insure that they are compatible with current ground and vehicle configurations.
3. Review, update and test all products necessary to perform the Re-Orbit including Re-Orbit safemode command sequence (generic and vehicle specific) and Re-Orbit passivation command sequence (generic and vehicle specific).
4. Perform Re-Orbit readiness review.

The following states Boeing’s requirements relative to Re-Orbit of the Iridium Constellation. Owner agrees that in Owner’s application to the Federal Communication

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Commission (FCC) for license transfer, the requirements set forth in the following paragraphs will be met.

#### Background

The purpose of this document is to summarize several key aspects of Iridium Constellation Re-Orbit which are considered by Boeing to be necessary for technical success and to ensure liability insurance coverage.

It should be noted that the Boeing Plan is only for active controllable satellites. [\*\*\*...\*\*\*].

#### Expeditious Plan Execution

The Boeing Plan will be executed in accordance with the Re-Orbit Plan. It is essential for Boeing to complete the Re-Orbit procedures for all controllable satellites to allow the satellites to atmospherically Re-Orbit within the [\*\*\*...\*\*\*] window covered by the insurance policy period.

#### Plan Execution Flexibility

Boeing's ability to modify the Re-Orbit schedule and satellite Re-Orbit groupings is necessary to accommodate system re-configuration changes, satellite system failures and any unplanned events which happen during Re-Orbit execution. Boeing will have maximum flexibility in these areas to insure the overall success of Re-Orbiting the Iridium Constellation.

Agreements between Motorola and U.S.A.F. Space Command/NORAD associated with satellite tracking and close approach notification have been extended to Boeing. NORAD's support for simultaneous maneuvering of a least [\*\*\*...\*\*\*] satellites is essential to the Boeing Plan because limitations on the number of simultaneous maneuvering satellites could adversely impact Boeing's ability to complete the Boeing Plan in the scheduled time frame necessary to allow satellite re-entry and impact during the period that is covered by the Re-Orbit insurance policy.

#### Technically Reasonable Requirements

Boeing will make all reasonable efforts to successfully Re-Orbit the Constellation within the technical limitations of the satellite design. It is assumed that unreasonable or impossible technical requirements or operational constraints that deviate from the Boeing Plan will not be imposed. Examples of unreasonable or impossible requirements are [\*\*\*...\*\*\*].

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# **Annex 5**

## **Price and Payment Schedule**

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## Annex 5

### **P RICE AND P AYMENT S CHEDULE**

#### **1.0 Payment**

1.1 Payment Schedule. Owner will make payments to Boeing in the amounts of and on the dates indicated in the schedules set forth in the following paragraphs below.

1.2 Late Payment. Payments due Boeing and not paid within [\*\*\*...\*\*\*] days following Owner's receipt of a good and proper invoice submitted in accordance with Paragraphs 5.1 or 5.2 of this Annex 5 will be subject to [\*\*\*...\*\*\*], excluding payment of any disputed amounts in accordance with Paragraph 5.3 of this Annex 5. Such charges will be computed [\*\*\*...\*\*\*]. Such rate will be applied on the basis of a 365-day year against the past due amount, commencing on the [\*\*\*...\*\*\*] after the invoice date and continuing until the payment is received by Boeing.

1.3 Form of Payment. Owner will make all payments to Boeing by unconditional wire transfer of immediately available funds in United States Dollars in a bank account in the United States designated by Boeing as follows.

Account# [\*\*\*...\*\*\*]  
[\*\*\*...\*\*\*]  
New York, NY  
ABA Routing# [\*\*\*...\*\*\*]  
Swift Code: [\*\*\*...\*\*\*]

1.4 Failure to Pay. In the event Owner fails to make payments when due, Boeing reserves the right to assert whatever remedies against Owner it may have under this Contract or at law. Any failure to pay shall not apply to Boeing's obligations under the Re-Orbit Statement of Work included as Annex 4 to this Contract, *provided* that the payment in Article 9.1.1 has been paid.

1.5 Monetary and Government Regulations. Owner is responsible for complying with all monetary control regulations and for obtaining necessary governmental authorizations related to payments.

#### **2.0 Services Performed Prior to the Effective Date: Payment Amounts**

2.1 As of the Effective Date, Boeing shall provide the following credits to Owner against the performance of Steady State O&M Services performed under the

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Original Contract:

2.1.1 Fourth Quarter of 2008. For the period of October 1, 2008 through December 31, 2008, Boeing shall credit Owner in the amount of U.S. \$[\*\*\*...\*\*\*] per month.

*Note: For information purposes only, this amount has been calculated as follows: [\*\*\*...\*\*\*].*

*Using the above calculations, the former monthly FFP price for 2008 is \$ [\*\*\*...\*\*\*] and the adjusted monthly FFP price for October through December 2008 is \$ [\*\*\*...\*\*\*].*

2.1.2 Calendar Year 2009. For the period of January 1, 2009 through December 31, 2009, Boeing shall credit Owner U.S. \$[\*\*\*...\*\*\*] per month.

*Note: For information purposes only, this amount has been calculated as follows: [\*\*\*...\*\*\*].*

*Using the above calculations, the former monthly FFP price for 2009 is \$ [\*\*\*...\*\*\*] and the adjusted monthly FFP price for 2009 is \$ [\*\*\*...\*\*\*].*

2.1.3 Calendar Year 2010. For the period of January 1, 2010 through the day immediately preceding the Effective Date, Boeing shall credit Owner U.S. \$[\*\*\*...\*\*\*] per month, including the partial calendar month of May 2010.

*Note: For information purposes only, this amount has been calculated as follows: [\*\*\*...\*\*\*].*

*Using the above calculations, the former monthly FFP price for 2010 is \$ [\*\*\*...\*\*\*] and the adjusted monthly FFP price for 2010, through the Effective Date of this Contract, is \$ [\*\*\*...\*\*\*].*

2.2 In the event that Owner has made payment to Boeing prior to the Effective Date of this Contract for any amounts pertaining to Boeing's performance under this Contract for the period of October 1, 2008 through the Effective Date, then Owner shall apply a credit equal to such overpayment against the payment of the first invoice(s) payable to Boeing after the Effective Date, and each subsequent invoice thereafter until all credits from paragraph 2.1 have been applied, as due under this Contract.

### **3.0 Task-Ordered Services: Terms and Payment Amounts**

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For work performed for Task-Ordered O&M Services or Task-Ordered Non-O&M Engineering Services (collectively, “**Task-Ordered Services**”) pursuant to Articles 1.4.2 and 1.4.3, Boeing shall be paid in accordance with the terms specified in this Paragraph 3.0 below.

3.1 Establishment of Annual O&M Price Cap. In accordance with Article 1.4.2.4, the Annual O&M Price Cap for Task-Ordered O&M Services shall be calculated as established in this Paragraph 3.1.

3.1.1 Basis for Calculating Annual O&M Price Cap. Each upcoming year’s Annual O&M Price Cap shall be calculated based on [\*\*\*...\*\*\*].

3.1.2 [\*\*\*...\*\*\*].

3.1.3 [\*\*\*...\*\*\*].

[*** ... ***]		
[***...***]		[***...***]
[***...***]		[***...***]*
[***...***]		[***...***]
[***...***]		[***...***]
[***...***]		[***...***]
[***...***]		[***...***]
[***...***]		[***...***]
[***...***]		[***...***]

[\*\*\*...\*\*\*].

\*

[\*\*\*...\*\*\*]

3.1.4 Scope Reduction. Owner may direct O&M Scope Modifications in accordance with Article 1.4.2.3 of this Contract and such O&M Scope Modifications shall modify the Annual O&M Price Cap as set forth in Article 1.4.1.3.

3.1.5 Annual O&M Price Cap [\*\*\*...\*\*\*]. [\*\*\*...\*\*\*].

**TABLE FOR EXAMPLE ONLY**

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	((***...***)							
	***...***	***...***	***...***	***...***	***...***	***...***	***...***	Total
***...***	***...***	***...***	***...***	***...***	***...***	***...***	***...***	***...***
***...***	***...***	***...***	***...***	***...***	***...***	***...***	***...***	***...***
***...***	***...***	***...***	***...***	***...***	***...***	***...***	***...***	***...***
***...***	***...***	***...***	***...***	***...***	***...***	***...***	***...***	***...***

Notes: The above calculations are based upon the following assumptions:

- (i) [\*\*\*...\*\*\*];
- (ii) [\*\*\*...\*\*\*];
- (iii) [\*\*\*...\*\*\*];
- (iv) [\*\*\*...\*\*\*].
- (v) [\*\*\*...\*\*\*].

### 3.2 Task-Ordered Time & Materials Rates.

3.2.1 Time & Material Hourly Rates. The Time & Material Hourly Rate for each direct labor hour, which includes [\*\*\*...\*\*\*], (the “**T&M Hourly Rate**”) are specified by “**Boeing Labor Category**” in the table below. The T&M Hourly Rates for 2010 have been mutually agreed upon by the Parties as of the Effective Date and are specified in the table below. For 2011 and beyond, Boeing shall propose and submit to Owner the applicable T&M Hourly Rates by no later than [\*\*\*...\*\*\*] of the preceding calendar year. Such T&M Hourly Rates shall be the lesser of: [\*\*\*...\*\*\*]. Upon Boeing’s and Owner’s mutual review of and concurrence on the new T&M Hourly Rates, such updated rates will be mutually acknowledged in writing by the Parties, with a copy of such document retained on file by both Parties. In no event shall Owner pay [\*\*\*...\*\*\*].

*Note: For information purposes only, the 2008 and 2009 T&M Hourly Rates, as previously agreed upon by the Parties prior to the Effective Date but which are not in effect under this Contract, are also specified in the table below.*

*The 2008 T&M Hourly Rates were calculated as follows: [\*\*\*...\*\*\*].*

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**Task-Ordered Services  
T&M Hourly Rates**

<b>Rate ID</b>	<b>Boeing Labor Category</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
1	***...***	\$***...***	\$***...***	\$***...***
2	***...***	\$***...***	\$***...***	\$***...***
3	***...***	\$***...***	\$***...***	\$***...***
4	***...***	\$***...***	\$***...***	\$***...***
5	***...***	\$***...***	\$***...***	\$***...***
6	***...***	\$***...***	\$***...***	\$***...***
7	***...***	\$***...***	\$***...***	\$***...***

3.2.2 Boeing Labor Category Descriptions. The Boeing Labor Categories are defined as follows:

3.2.2.1 Rate ID 1 – [\*\*\*...\*\*\*]: [\*\*\*...\*\*\*].

3.2.2.2 Rate ID 2 – [\*\*\*...\*\*\*]: [\*\*\*...\*\*\*].

3.2.2.3 Rate ID 3 – [\*\*\*...\*\*\*]: [\*\*\*...\*\*\*].

3.2.2.4 Rate ID 4 – [\*\*\*...\*\*\*]: [\*\*\*...\*\*\*].

3.2.2.5 Rate ID 5 – [\*\*\*...\*\*\*]: [\*\*\*...\*\*\*].

3.2.2.6 Rate ID 6 – [\*\*\*...\*\*\*]: [\*\*\*...\*\*\*].

3.2.2.7 Rate ID 7 – [\*\*\*...\*\*\*]: [\*\*\*...\*\*\*].

3.2.3 Materials. Boeing shall not [\*\*\*...\*\*\*]. All materials required by Boeing for performance of the Services shall be [\*\*\*...\*\*\*]. Notwithstanding anything to the contrary in this Paragraph 3.2.3, Owner shall not be obligated to [\*\*\*...\*\*\*].

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3.2.4 Other Direct Costs. [\*\*\*...\*\*\*] shall be [\*\*\*...\*\*\*] Boeing's T&M Hourly Rates as specified in Paragraph 3.2.1 of this Annex 5 and shall not be [\*\*\*...\*\*\*].

3.3 Task-Ordered O&M Services T&M Estimating and Invoicing Requirements.

3.3.1 [\*\*\*...\*\*\*]. [\*\*\*...\*\*\*].

3.3.2 [\*\*\*...\*\*\*]. [\*\*\*...\*\*\*].

3.3.3 [\*\*\*...\*\*\*]. [\*\*\*...\*\*\*].

3.3.4 [\*\*\*...\*\*\*]. [\*\*\*...\*\*\*]:

(i) [\*\*\*...\*\*\*];

(ii) [\*\*\*...\*\*\*];

(iii) [\*\*\*...\*\*\*]; or

(iv) [\*\*\*...\*\*\*].

[\*\*\*...\*\*\*].

3.3.5 [\*\*\*...\*\*\*]. [\*\*\*...\*\*\*].

3.3.6 [\*\*\*...\*\*\*]. [\*\*\*...\*\*\*].

3.4 [\*\*\*...\*\*\*]. [\*\*\*...\*\*\*].

**4.0 [\*\*\*...\*\*\*].**

4.1 [\*\*\*...\*\*\*]. [\*\*\*...\*\*\*].

4.2 [\*\*\*...\*\*\*]. [\*\*\*...\*\*\*].

4.3 [\*\*\*...\*\*\*]. [\*\*\*...\*\*\*].

4.4 Definition of [\*\*\*...\*\*\*]. [\*\*\*...\*\*\*].

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## **5.0 Payment Due Dates**

5.1 Task-Ordered O&M Services. Upon the conclusion of each monthly period, Boeing shall submit a [\*\*\*...\*\*\*] invoice, as applicable, to Owner prepared in accordance with Paragraph 3.3 of this Annex 5 to Owner. Owner shall make payment on a [\*\*\*...\*\*\*] basis upon receipt of such good and proper invoice.

5.2 Task-Ordered Non-O&M Engineering Services. Upon the conclusion of each monthly period, Boeing shall submit a Time & Materials invoice for each Task Order prepared in accordance with Paragraph 3.4 of this Annex 5 to Owner. Owner shall make payment on a [\*\*\*...\*\*\*] basis upon receipt of such good and proper invoice.

5.3 Billing Errors. If, after receipt of an invoice [\*\*\*...\*\*\*], Owner believes a billing error has occurred, Owner shall provide to Boeing evidence of such error. If, after investigation, Boeing agrees that there is a billing error, Boeing shall make corrections accordingly. If Boeing disagrees, the parties will negotiate in good faith to resolve the disagreement. If billing disagreements occur and are not satisfactorily resolved by the Parties, the Parties may resort to the Disputes provision of this Contract. Boeing will not terminate or suspend Services during the resolution of any billing dispute, and Owner's failure to pay the disputed portion of a Boeing invoice in a timely manner during the resolution of any billing dispute shall not be cause for Default by Owner.

## **6.0 System De-orbit and Nominal De-orbit**

6.1 When required pursuant to Articles 9.4, 9.5 and/or 9.6 hereof, Owner shall pay to Boeing the amount specified in Article 9.1.1 of this Contract for Boeing Services for Re-Orbiting of the Constellation in accordance with the Re-Orbit Statement of Work included as Annex 4 to this Contract.

6.2 Should Owner initiate a voluntary nominal de-orbit of the Constellation in accordance with the Re-Orbit Statement of Work included as Annex 4 to this Contract, then the period of performance for Boeing Services shall be [\*\*\*...\*\*\*]. The [\*\*\*...\*\*\*] of Re-Orbit activity shall be priced at an amount equal to [\*\*\*...\*\*\*]. This amount shall be payable regardless of when or under what conditions and/or circumstances Re-Orbit occurs except that a de-orbit required pursuant to Articles 9.4, 9.5 and/or 9.6 hereof shall be paid in accordance with Paragraph 6.1, above. Changes to Annex 4 shall be cause for equitable adjustment to price and schedule in accordance with Article 4 (Changes) of this Contract.

In the event of a nominal de-orbit, Owner shall provide Boeing written notification [\*\*\*...\*\*\*] in advance of Owner's scheduled commencement of Re-Orbit activities.

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# **ANNEX 6**

## **Baseline Task Orders for Task-Ordered O&M Services**

<b><u>Task Order No.</u></b>	<b><u>Title</u></b>
GS001	Ground Segment: Project Management, Configuration Management and Procurement Support
GS002	Ground Segment: Ground Segment Operations and Engineering Support
GS003	Ground Segment: Gateway, TTAC, and Ground Systems Development and Sustaining Engineering Support
GS004	Ground Segment: Systems Integration and Test for Gateways, TTACs and Teleport Network
GS005	Ground Segment: Gateways, TTAC, Teleport Network, Ground Systems and Site Support
GS006	Ground Segment: Systems Analysis and Quality of Service
GS007	Ground Segment: Facilities Operations and Maintenance and Information Technology Engineering and Support
GS008	Ground Segment: Product Testing and Certification Support
SS001	Space Segment: Project Management, Configuration Management and Procurement Support
SS002	Space Segment: System Integration and Test
SS003	Space Segment: Space System Software Development
SS004	Space Segment: Satellite On-Orbit Operation
SS005	Space Segment: Constellation Engineering and Analysis

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# **A N N E X 7**

## **D I S P U T E R E S O L U T I O N P R O C E D U R E S**

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**Annex 7**

**D ISPUTE R ESOLUTION P ROCEDURES**

Subject to the provisions of Article 16, these procedures shall be invoked if either Party desires further escalation of a dispute that remains unresolved after having been internally escalated to the extent available under Article 16:

**A. Mediation.**

**(1) Controversies and Claims Subject to Mediation.**

(a) If a dispute satisfies the criteria provided in Article 16.2.3 of this Contract, either Party may request mediation of the dispute. The mediator will be chosen by mutual agreement of the Parties, and will be an independent person with a recognized reputation for fair-mindedness and extensive experience in the mediation of complex commercial disputes. If the dispute involves complex technical issues, the Mediator shall also have a relevant technical background or will be empowered to retain an independent technical advisor. If a mediator cannot be agreed upon within [\*\*\*...\*\*\*] after the request for mediation, the Party requesting mediation shall provide the other Party with a list naming no less than three and no more than five potential independent mediators, and the other Party shall select one person from that list to serve as mediator within [\*\*\*...\*\*\*] following receipt of the list.

(b) Within [\*\*\*...\*\*\*] after selection of the mediator, the Parties shall simultaneously exchange any documentary materials or data relevant to and supporting its position in the dispute in all future dispute resolution proceedings concerning such dispute. Each Party shall use only such documentary materials and data that it has provided, and such additional documentary materials and data that it may obtain from the other Party in the limited discovery described below. The Parties may engage in limited discovery consisting of no more than [\*\*\*...\*\*\*] depositions and no more than [\*\*\*...\*\*\*] requests for production of documents, including subparts. If the Parties are unable to agree, the mediator shall determine the discovery schedule. Unless otherwise

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determined by the mediator or otherwise agreed by the Parties, the mediation shall occur in the venue specified in Article 16.1 of this Contract within [\*\*\*...\*\*\*] after the written request for mediation.

(2) Duties and Powers of Mediator.

(a) The Parties will cooperate with the mediator to negotiate a resolution to the dispute acceptable to both Parties as expeditiously as possible. Each Party shall be represented at the mediation session by a business person with full authority to settle all disputed issues. Unless warranted by extraordinary circumstances, the mediation session shall last no more than [\*\*\*...\*\*\*].

(b) The costs of the mediation will be borne equally by the Parties. In the event that the Parties are unable to agree to a settlement at the mediation within [\*\*\*...\*\*\*] of the date of the initial demand for it by either Boeing or Owner, then such dispute may be submitted to the courts within the venue specified in Article 16.1 of this Contract for resolution. The use of any procedures under this Annex 7 or Article 16 will not be construed under the doctrines of laches, waiver or estoppel to affect adversely the rights of either party, and nothing in this paragraph will prevent either Owner or Boeing from resorting to judicial proceedings if (a) good faith efforts to resolve the dispute under these procedures have been unsuccessful or (b) interim or injunctive relief from a court is necessary to prevent serious and irreparable injury to one party or to others.

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## **Annex 8**

### **Reserved**

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# **Annex 9**

## **U.S. Government Indemnification Contract**

*See Appendix 1, Referenced Documents for  
Amended and Restated Contract No. BSC-2000-001:*

*Tab B  
U.S. Government Contract DCA100-01-C-3001,  
Indemnification Contract, dated December 5, 2000*

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# **Annex 10**

## **Reserved**

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# **Annex 11**

## **Reserved**

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# **Annex 12**

## **Reserved**

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# **Annex 13**

## **Binder Letters from Owner's Insurance Agent**

*See Appendix 1, Referenced Documents for  
Amended and Restated Contract No. BSC-2000-001:*

*Tab A  
Satellite Third Party In Orbit Liability Insurance,  
Policy No. [\*\*\*...\*\*\*], dated 11 December 2009*

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# **Annex 14**

## **Insurance Agent's Letter Confirming Schedule A Risks are Covered when Schedule B is in Effect**

*See Appendix 1, Referenced Documents for  
Amended and Restated Contract No. BSC-2000-001:*

*Tab A  
Satellite Third Party In Orbit Liability Insurance,  
Policy No. [\*\*\*...\*\*\*], dated 11 December 2009*

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# **Annex 15**

## **SF30 Evidencing USG Approval to Change In-orbit Insurance Policy**

*See Appendix 1, Referenced Documents for  
Amended and Restated Contract No. BSC-2000-001:*

*Tab C  
Amendment P00001 to  
U.S Government Contract DCA100-01-C-3001,  
dated December 3, 2003*

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# **Annex 16**

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# **Annex 17**

## **Group Call Functionality**

The Parties acknowledge that the Parties' obligations under certain provisions of Annex 17, Group Call Functionality, a copy of which is attached hereto, have either been terminated or released pursuant to the terms of the Intellectual Property Rights License Agreement (BMC-2010-1455), dated May 28, 2010, among Iridium Satellite LLC, Iridium Constellation LLC, The Boeing Company, and Boeing Management Company, in each case as and to the extent set forth therein.

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# **Annex 18**

## **Broadband Functionality**

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**Annex 18**  
**Iridium Broadband**

**RECITALS**

**WHEREAS**, Motorola, Inc. (“Motorola”) has licensed to Owner’s Affiliate, Iridium Satellite, among other things, all software (ground-based and space-based) necessary to operate and maintain the ICS satellite fleet including the Satellite Software. The capitalized terms contained in this Annex 18 shall have the same meaning as provided in the main body of the Contract, and

**WHEREAS** , the operation of the ICS satellite fleet is the responsibility of Owner, which owns the satellite fleet, and

**WHEREAS**, Boeing proposes to implement its Iridium Broadband design by developing software (including modifications to the Satellite Software) to be uploaded to the ICS satellite fleet to enable Iridium Broadband functionality (the “Broadband Functionality”), and

**WHEREAS** , pursuant to Iridium Satellite’s agreements with Motorola, (i) Iridium Satellite’s licenses of the ICS Software extend to Boeing solely to the extent that Boeing needs such licenses to operate and maintain the Iridium system on behalf of Iridium Satellite, and (ii) the phrase “operate and maintain the Iridium system” includes Iridium Satellite’s right to upgrade and enhance the Iridium system, and

**WHEREAS** , Iridium Satellite represents and warrants that Iridium Satellite’s license agreement(s) with Motorola authorizes Boeing to implement the Broadband Functionality on the ICS, and

**WHEREAS** , Owner and Iridium Satellite desire that Boeing participate in the development of the Broadband Functionality by developing the necessary satellite software changes, and

**WHEREAS**, Owner and Boeing agree to make commercially reasonable efforts to implement the Broadband Functionality in a timely manner in order to support a product demonstration and first operational deployment midyear 2008.

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**NOW, THEREFORE**, in consideration of the foregoing and the mutual covenants and promises contained herein, the Parties agreed to execute this Amendment 012 that incorporates the Broadband Functionality as Annex 18 to the Original Contract.

### **1.0 Agreement of the Parties**

The Parties have agreed to participate in a program to develop and thereafter provide Broadband Functionality to Iridium Satellite's and Owner's customers.

Iridium Satellite represents and warrants that Iridium Satellite's license agreement(s) with Motorola authorizes Boeing to implement the Iridium Broadband Functionality on the ICS. Without limiting the foregoing, Iridium Satellite represents and warrants that its license agreement(s) with Motorola specifically include the Intellectual Property identified in Exhibit B to this Annex 18, and further that said license allows Boeing to use the items identified in Exhibit B for the purposes of this Agreement.

### **2.0 Statement of Work**

In accordance with the following paragraphs and the Division of Responsibility between Owner and Boeing attached hereto as Exhibit A, Owner and Boeing will develop modifications and enhancements to the Iridium system (all such modifications and enhancements being hereinafter referred to as the "Broadband Modifications", and those created by or on behalf of Boeing and identified in Exhibit A as solely Boeing's responsibility being hereinafter referred to as the "Boeing Broadband Modifications") necessary to enable Broadband Functionality.

The work performed by Boeing under this Annex 18 shall not modify or materially affect Boeing's continued performance of all of its obligations under this Contract. Owner and Boeing shall make commercially reasonable efforts to complete the Broadband Modifications to the extent necessary to support a demonstration to certain of Owner's customers. If the demonstration is successful and Owner in its sole discretion approves deployment, Owner and Boeing shall make commercially reasonable efforts to make the Broadband Functionality ready for operational deployment to customers in 2008.

Prior to uploading the Boeing Broadband Modifications to the satellites, Boeing and Owner shall test such Boeing Broadband Modifications in accordance with mutually agreed procedures and processes, including but not limited to impact analysis and risk assessment *vis-a-vis* the ICS and gateway and Individual Subscriber Unit (ISU). All the results of testing shall be shared between Boeing and Owner. Upon successful testing of the Broadband Modifications and Owner's approval Boeing will upload the Boeing Broadband Modifications to the satellites.

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### **3.0 Intellectual Property Rights**

**3.1 “Intellectual Property”** means all common law and statutory proprietary rights with respect to intellectual property, including patents, patent applications, copyrights, industrial designs, trademarks and service marks (and all goodwill associated with the foregoing), database rights, design rights (whether registered or not), trade secrets, mask work rights, data rights, moral rights, and similar rights existing from time to time under the intellectual property laws of the United States, any state or foreign jurisdiction, or international treaty regime.

All Intellectual Property created by Owner shall be the sole and exclusive property of Owner. All Intellectual Property created by Boeing that is authored, developed, conceived or first actually reduced to practice in the performance of work under this Annex 18, including without limitation all Boeing Broadband Modifications (collectively, “Foreground Intellectual Property”), whether or not patentable, shall be owned by Iridium Satellite, shall constitute work specially ordered and commissioned for use as contribution to a collective work and shall constitute work made for hire pursuant to U.S. copyright law. If the Foreground Intellectual Property or any portion thereof is not considered a work made for hire, or if Boeing may be entitled to claim any other ownership interest in any of the Foreground Intellectual Property, Boeing transfers, grants, conveys, assigns, and relinquishes exclusively to Iridium Satellite all of Boeing’s worldwide right, title, and interest in and to such materials, under patent, copyright, trade secret and trademark law, in perpetuity or for the longest period otherwise permitted by law. On a T&M basis, Boeing shall execute any documents reasonably requested by Iridium Satellite and shall perform any and all further acts reasonably deemed necessary or desirable by Iridium Satellite to confirm, perfect or exploit the ownership of the Foreground Intellectual Property by Iridium Satellite.

**3.2** . Iridium Satellite may disclose, transfer or license the Foreground Intellectual Property to third parties without the prior written consent of Boeing for any purposes including, but not limited to, development, enhancements, improvements, or services. Boeing shall provide source code and programmer’s notes for the Boeing Broadband Modifications to Owner or Iridium Satellite upon request by Owner or Iridium Satellite.

**3.3.** Boeing hereby grants to Iridium Satellite a non-exclusive, perpetual, worldwide, royalty-free right and license to use, and modify Boeing’s Intellectual Property pertaining solely to Boeing Broadband Modifications owned exclusively by Boeing prior to performance of work under this Annex 18 (“Background Intellectual

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Property”) solely in connection with the ICS. Except as explicitly stated herein, no license to any Background Intellectual Property of a party is granted to any other party under this Agreement.

**3.4.** As required by Motorola’s agreement with Iridium Satellite (Intellectual Property Rights Agreement, dated December 12, 2000) as it relates to Satellite Software and gateway software, Boeing shall not use any Motorola-owned Intellectual Property, including modifications or derivatives thereof, on behalf of any party other than Owner and Iridium Satellite and their subsidiaries and Affiliates.

#### **4.0 Period of Performance**

The period of performance covered by this Annex 18 will commence on execution of the Amendment 011 and continue for the duration of the Useful Life of the ICS, unless earlier terminated in accordance with Section 7 hereof.

#### **5.0 Implementation of the Broadband Functionality**

Beginning upon successful implementation of the Broadband Functionality, Owner agrees to make payments in accordance with Paragraph 6.0 of this Annex 18.

#### **6.0 Payment Provisions**

**6.1** In consideration for Boeing’s fulfillment of its obligations set forth in Paragraph 2.0, above, Owner shall pay Boeing on a Time and Material basis for each direct labor hour expended by Boeing at the billing rate set forth in Annex 5, Paragraph 5.2, of this Contract.

##### **6.2 Payment Schedule**

Boeing will invoice Owner monthly for amounts owing under paragraph 6 above. Boeing’s invoice shall separately show the direct labor hours charged to develop and implement the Broadband Functionality and the rate applied.

##### **6.3 Form of Payment**

Owner will make all payments to Boeing by unconditional wire transfer of immediately available funds in United States Dollars in a bank account in the United States designated by Boeing as follows.

Account# [\*\*\*...\*\*\*]  
[\*\*\*...\*\*\*]  
New York, NY  
ABA Routing# [\*\*\*...\*\*\*]  
Swift Code: [\*\*\*...\*\*\*]

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#### **6.4 Payment Verification**

If, after receipt of an invoice, Owner believes a billing error has occurred, Owner shall provide to Boeing evidence of such error. If, after investigation, Boeing agrees that there is a billing error, Boeing shall make corrections accordingly. If Boeing disagrees, the parties will negotiate in good faith to resolve the disagreement. If billing disagreements occur and are not satisfactorily resolved by the Parties, the Parties agree to allow an audit by an independent third party audit firm. Such audit requires a written notification by the Party requesting the audit to the other Party [\*\*\*...\*\*\*] to the audit. The audit will be paid for by [\*\*\*...\*\*\*].

#### **7.0 Termination of This Annex 18**

This Annex 18 shall terminate upon mutual agreement of the Parties.

This Annex 18 shall also terminate without liability to either Party if, after completion of Owner's impact assessment and risk analysis or at anytime thereafter, Owner determines that there is unacceptable risk to the ICS or gateway or Individual Subscriber Unit (ISU).

Termination of this Annex 18 shall not affect Boeing's performance under other articles and annexes of this Contract.

#### **8.0 Termination for Default**

In the event that Boeing defaults under Article 12 (Termination for Default) of this Contract, or upon the expiration of this Contract in accordance with its terms, Boeing agrees to provide transitional support to the successor ICS operations and maintenance contractor ("Successor Contractor"). Boeing shall have no right, title or interest in any modifications to or enhancements of the Broadband Modifications created by any Successor Contractor .

#### **9.0 Survival**

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In the event of a termination of the O&M Contract for any reason, the parties agree that this Annex 18 shall survive such termination, that this Annex 18 shall be deemed expressly included in Section 22.4 of the Contract, and that Owner's payments to Boeing shall continue in accordance with paragraph 6.0 (Payment Provisions) above.

#### **10.0 No Joint Venture**

This Annex 18 shall neither constitute, give effect, nor otherwise imply a joint venture, pooling arrangement, partnership, or formal business organization of any kind.

#### **11.0 Reserved.**

#### **12.0 Indemnification**

To the extent that the Authorization and Consent clause (FAR 52.227-1) contained in Iridium Satellite's contract with the USG, and as incorporated into this Contract, does not provide Boeing with immunity against third party claims for infringement of U.S. patents or copyright, Iridium Satellite and Owner, in addition to Article 15.2, "Indemnity," shall indemnify Boeing as follows:

Owner shall indemnify and hold Boeing, and its respective Affiliates, officers, directors, agents and employees, harmless from and against all claims, losses, damages, liabilities or expenses (including reasonable attorneys' fees and expenses) related to the infringement, misappropriation or violation of any United States Intellectual Property right relating to the Intellectual Property identified in Exhibit B. Boeing will duly notify Owner of any such claim, suit or action and Owner will, at its expense, fully defend such claim, suit or action on behalf of indemnities.

To the extent that the Authorization and Consent clause (FAR 52.227-1) contained in Iridium Satellite's contract with the USG, does not provide Iridium Satellite with immunity against third party claims for infringement of U.S. patents or copyright Boeing shall indemnify and hold Owner, and its respective Affiliates, officers, directors, agents and employees ("Indemnatee"), harmless from and against all losses, damages, liabilities or expenses (including reasonable attorneys' fees and expenses) related to the infringement, misappropriation or violation of any U.S. patent, trade secret, or copyright and arising out of the Boeing Broadband Modifications, to the extent that such claim is unrelated to the Intellectual Property identified in Exhibit B ("Indemnification Claims"). Owner will duly notify Boeing of any such, suit or action and Boeing will, at its expense, fully defend such suit or action on behalf of Indemnatee. This indemnification of Owner is contingent upon: (i) Boeing being notified promptly of any Indemnification Claims; (ii) Boeing having the sole right to control and defend or settle any litigation within the scope

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of this indemnity; and (iii) all Indemnitees cooperate to the extent necessary at Boeing's sole expense in the defense of any Indemnification Claims.

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	<b>Iridium NEXT Support Services Agreement</b>	
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**Iridium NEXT Support Services Agreement**

**No. IS-10-019**

**between**

**Iridium Satellite LLC  
("Iridium")**

**and**

**The Boeing Company  
("Seller")**

**for**

**Support Services  
for Iridium NEXT**

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*Execution Version*

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## **PREAMBLE**

This Iridium NEXT Support Services Agreement, dated as of May 28, 2010, (including as amended, modified or supplemented from time to time hereafter, this "Agreement") is entered into between Iridium Satellite LLC (hereinafter referred to as "Iridium"), a Delaware limited liability company, with offices located at 2030 East ASU Circle, Tempe, Arizona 85284, and The Boeing Company, a Delaware corporation, with offices located at 13100 Space Center Boulevard, Houston, Texas 77059 (hereinafter referred to as "Seller"). In this Agreement, Iridium and Seller shall each be referred to individually as "Party" and collectively as the "Parties."

## **PURPOSE**

The purpose of this Agreement is to establish the terms and conditions under which Seller will supply Deliverables (defined below) to Iridium in support of NEXT (defined below). Authorization of Deliverables hereunder will be accomplished by means of separate Task Orders (defined below).

In consideration of the foregoing, and the mutual promises contained herein, the Parties agree as follows:

## **DEFINITIONS**

As used in this Agreement, the following terms shall have the meanings specified below. Capitalized terms used in this Agreement that are not defined in this Article, but which are defined in the Annexes, shall have the meaning specified in the Annexes.

"Acceptance Cure Period" has the definition specified in Article 6.1.3.

"Affiliate" means, with respect to any entity, any other entity Controlling, Controlled by or under common Control with such entity.

"Associate Contractor" means the contractor(s) designated by Iridium from time to time for the development, delivery, operation and maintenance of NEXT.

"Background Intellectual Property" has the definition specified in Article 9.2.1.

"Block 1" means the complete, integrated, satellite-based, digitally-switched communications system currently operated by Iridium or one or more Affiliates of Iridium as of the Effective Date. This term refers collectively to the Block 1 Space Segment, Block 1 System Control Segment, and Block 1 Gateways, Teleport Network, and TSC and expressly includes

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enhancements and additions to the Gateways and its evolution as required to support continuing Block 1 operations. Block 1 expressly excludes any element of NEXT, including modification to system elements in support of NEXT, the NEXT Space Segment, the NEXT System Control Segment, the NEXT Gateways, and the NEXT Teleport Network.

“Block 1 O&M Contract” means the Amended and Restated Contract, Boeing No. BSC-2000-001, between Iridium Constellation LLC and The Boeing Company for Transition, Operations and Maintenance, Engineering Services, and Re-Orbit of the Iridium Communication System, dated May 28, 2010, as amended from time to time.

“Claims” means any and all actions, causes of action, liabilities, claims, suits, judgments, liens, awards and damages of any kind and nature whatsoever.

“Confidential Information” means all (a) confidential, proprietary and/or trade secret information and (b) tangible items and software containing, conveying or embodying such information. Nothing shall be construed as Confidential Information which is: (i) published or otherwise becomes available to the public other than by breach of this Agreement; (ii) rightly received by one Party hereunder from a third party without confidential limitation; (iii) already known by the receiving Party; (iv) independently developed by the receiving Party without use of the disclosed information or breach of this Agreement; or (v) approved for release by the providing Party without confidential limitation.

“Control” and its derivatives means, with regard to any entity, the legal, beneficial, or equitable ownership, directly or indirectly, of fifty percent (50%) or more of such entity’s capital stock (or other ownership interest, if not a corporation) ordinarily having voting rights.

“DCAA” has the definition specified in Article 3.1.1.

“Deliverables” means Task-Ordered Engineering Services, Task-Ordered O&M Services, Intellectual Property, hardware, software or other information, data, and technology prepared or procured by Seller pursuant to this Agreement or any related Task Orders or otherwise.

“Field Office Rates” means rates included in the Rate Tables that do not include the cost of Seller’s facilities.

“Foreground Intellectual Property” has the definition specified in Article 9.2.2.

“FSD Agreement” means the Full Scale System Development Contract, No. IS-10-021, between Iridium Satellite LLC and Thales Alenia Space France for the Iridium NEXT System, dated June 1, 2010.

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“Gateways” means any and all ground based facilities utilized for subscriber provisioning and billing information functions, call processing operations, and the connection of a subscriber communication through the Public Switched Telephone Network (PSTN), Public Data Network (PDN, Multiprotocol Label Switching (MPLS) or Virtual Private Network (VPN).

“General and Administrative Cost” or “G&A” means management, financial, and other expense incurred by or allocated to Seller and which is for the general management and administration of Seller as a whole as further defined in Seller’s Accounting Disclosure Statement.

“Intellectual Property” or “IP” means all common law and statutory forms of intellectual property, including patents, patent applications, copyrights, industrial designs, trademarks and service marks (and all goodwill associated with the foregoing), database rights, design rights (whether registered or not), trade secrets, mask work rights, data rights, moral rights, and similar rights existing from time to time under the intellectual property laws of the United States, any state or foreign jurisdiction, or international treaty regime.

“Intellectual Property Rights” or “IPR” means rights pertaining to Intellectual Property.

“Iridium Audit Rights” means the audit rights described in Article 3.2.2.

“Losses” mean all losses, liabilities, claims, damages or expenses (including reasonable legal fees and expenses).

“Mission Operations” means The Boeing Company organization which shall perform the Task Orders contemplated herein.

“Minimum Service Levels” means the minimum required service levels to be defined by Iridium and mutually agreed by the Parties in the applicable Task Orders based on parameters and metrics deemed significant to Iridium’s communication services to the extent that such service levels are driven solely by Seller’s performance.

“NEXT” means the new, updated or enhanced satellites of a Space Segment and, upon written notice from time to time to Seller from Iridium, such new, updated or enhanced ground elements (including the Serviced Facilities and System Control Segment as well as Gateways and Teleport Network) and such ground elements redeployed from Block 1, and their related software and equipment, deployed in connection with Iridium’s and/or its Affiliates’ proposed second generation complete, integrated, satellite-based, digitally switched communication system. NEXT does not include Block 1, except such ground elements redeployed from Block 1, and their related software and equipment, which have been designated as an element of NEXT pursuant to Iridium’s notice to Seller.

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“NEXT Useful Life” means the useful life of NEXT as measured by the ability of NEXT to function as a global communication system as determined by Iridium within the complement of sixty-six (66) or fewer low earth orbit operational satellites.

“Non-Field Office Rates” means rates included in the Rate Tables that do include the cost of Seller’s facilities.

“NTE Price” means the total not-to-exceed funding amount set forth in each Task Order issued under this Agreement.

“Prime Vendor” means Thales Alenia Space France who will: (i) provide the end-to-end network architecture, system engineering, integration, and testing for NEXT; and (ii) design, construct and deploy the Space Segment of NEXT.

“Seller Labor Category” means Seller’s labor categories set forth in Annex A, Labor Category Descriptions, attached hereto.

“Seller’s Accounting Disclosure Statement” means Seller’s written description of its cost accounting practices and procedures submitted to the U.S. Government as required by 48 CFR, Subpart 9903.202-5.

“Serviced Facilities” mean the SNOC and TSC.

“SNOC” means the Satellite Network Operations Center (and/or such other facilities designated by Iridium) for the implementation of network operations services and other related Deliverables contemplated by this Agreement.

“SNOC NEXT System Control Software” means the software capability which will reside at the SNOC and be used to plan and control resources applicable to the Iridium NEXT Space Segment and teleports.

“Space Segment” means that part of a satellite system consisting solely of satellites in low earth orbit.

“System Control Segment” refers to the equipment and facilities used to manage and control the individual satellites of a Space Segment, and the communications links of a satellite constellation.

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“Task Order” means written orders issued pursuant to the terms of this Agreement which describes the requirements, Deliverables, rates, special terms and conditions and other Deliverables as agreed to by the Parties.

“Task-Ordered Engineering Services” has the definition specified in Article 2.1.3.

“Task-Ordered O&M Services” has the definition specified in Article 2.1.2.

“Teleport Network” means the geographically diverse collection of feederlink terminals connected using high availability ground communications to provide multiple access points among and between the NEXT Space Segment, the NEXT System Control Segment, Gateways and Block 1.

“Terms” has the definition specified in Article 14.1.3(a).

“TSC” means the Technical Support Center (and/or such other facilities designated by Iridium), which provides maintenance support comprised of technical experts, laboratory facilities, and system test bed facilities.

## **TERMS AND CONDITIONS**

### **ARTICLE 1: TERM**

This Agreement shall be effective as of May 28, 2010 (“Effective Date”) and will continue during the duration of the NEXT Useful Life (“Term”).

### **ARTICLE 2: SCOPE OF WORK**

2.1 Services. Pursuant to this Agreement, during the Term, Iridium will purchase from Seller and Seller will sell to Iridium the following services which shall be performed in accordance with the requirements specified in this Article 2 and all other terms and conditions of this Agreement, and as set forth in Task Orders issued hereunder.

2.1.1 Task-Ordered Services. The Deliverables described in Articles 2.1.2 (Task-Ordered O&M Services) and 2.1.3 (Task-Ordered Engineering Services) below shall be authorized by means of separate Task Orders. The Parties intend that each Task Order will be governed by the terms and conditions of this Agreement, except those terms and conditions set forth in a specific Task Order and designated therein as taking precedence over this Agreement. Any changes or amendments to Task Orders must be provided in writing and executed by both Parties as provided in Article 11 (Change). Task Orders will provide at a minimum: (i) Task Order Number; (ii) scope of work and technical

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requirements, including if applicable type, quantity and description of Deliverables ordered; (iii) Deliverables, if any; (iv) acceptance criteria, if any; (v) performance period; (vi) key personnel; (vii) required Iridium furnished items or data (if applicable); (viii) Task Order NTE Price; (ix) authorized labor hours by labor category and applicable labor rate; (x) special provisions (if applicable); and (xi) mutual approval by authorized representatives of the Parties.

2.1.2 Task-Ordered O&M Services. Seller shall perform "Task-Ordered O&M Services", which consists of the following, which shall be further defined in specific Task Orders from time-to-time:

- (a) NEXT Space Segment and network operations consisting of real time operation of the NEXT Space Segment, real time satellite monitoring, mission planning, telemetry trending and anomaly identification and recovery;
- (b) NEXT Gateway Tier 2 support (support to Iridium operations) and, in certain cases, as determined by Iridium, Tier 3 (provision of software fixes) support for gateway fault and anomaly resolution;
- (c) NEXT System analysis consisting of system service monitoring and system performance analysis;
- (d) NEXT TSC and SNOC operations and maintenance (excluding maintenance of Prime Vendor equipment) consisting of operating and maintaining the equipment as well as maintaining the hardware and software configuration and associated procedures; and
- (e) NEXT system integration and testing consisting of end-to-end system verification of new services in the TSC and when deployed (it being understood that none of the activities contemplated by this Article 2.1.2(e) shall be performed or provided by Seller until directed to do so by Iridium). The provisions of this Article 2.1.2(e) do not apply to the system integration and engineering responsibilities assigned by Iridium to the Prime Vendor.

Seller shall [\*\*\*.\*\*\*]. Task-Ordered O&M Services shall not include maintenance of Associate Contractor equipment and equivalent tasks performed by Associate Contractors for Block 1.

2.1.3 Task-Ordered Engineering Services. From time to time, Iridium may elect to direct Seller, pursuant to a Task Order, to perform certain engineering activities which are

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outside the scope of the Task-Ordered O&M Services, but which pertain to NEXT (“Task-Ordered Engineering Services”). These Task Orders may include, but are not limited to, the upgrade and revision of the SNOC NEXT System Control Software. Except for the [\*\*\*...\*\*\*].

2.1.4 Key Personnel. The successful performance of the Task-Ordered O&M Services and Task-Ordered Engineering Services is dependent upon the skills, experience and retention of the Seller personnel assigned to these efforts and all Seller personnel assigned for direct charge to such Services are hereby designated as “Key Personnel.”

2.1.4.1 Listing of Key Personnel. Seller shall provide a list of Key Personnel to Iridium who are deemed critical to Seller’s successful performance of such Services as part of each Task Order for Task-Ordered O&M Services or Task-Ordered Engineering Services. This listing of Key Personnel shall be maintained current by Seller and provided to Iridium from time to time on a schedule as agreed upon by the Parties and, in any event, when Key Personnel are changed.

2.1.4.2 Assignment or Reassignment of Key Personnel. Seller shall not assign or reassign Key Personnel without the prior notification of Iridium. When Seller desires to assign new Seller personnel as Key Personnel, Seller shall provide reasonable notice to Iridium of the proposed assignment and provide resume information for such personnel and justification that such new personnel offer generally equivalent and suitable capabilities compared to Key Personnel previously approved under the Agreement. For the purposes of this Article, Seller personnel shall include personnel subcontracted by Seller to perform direct labor under this Agreement.

2.1.4.3 Qualification of Key Personnel. Seller shall ensure that all Seller personnel (including subcontractor personnel) are fully qualified and possess all the skills necessary to perform the Task-Ordered O&M Services and Task-Ordered Engineering Services, as the case may be. If Iridium in good faith determines that the continued assignment of any Seller personnel is not in Iridium’s best interest, then Iridium shall provide Seller written notice to that effect requesting that such personnel be replaced. Promptly after receipt of such request, Seller shall investigate the matters stated in the request and discuss its findings with Iridium. If Iridium continues to request replacement of such Seller personnel, Seller shall replace such Seller personnel with an individual satisfactory to Iridium consistent with applicable law and Seller’s policies and procedures.

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2.2 Task Order NTE Prices . Iridium shall establish a NTE Price for each Task Order. Seller agrees to use commercially reasonable efforts to perform the work specified within a Task Order within such NTE Price, however, nothing in this Agreement or in any Task Order shall be deemed to be, or interpreted as, a firm commitment by Seller to complete all efforts within a Task Order at or under the Task Order NTE Price. Iridium will not be obligated to pay Seller any amount in excess of the NTE Price in a Task Order, and Seller shall not be obligated to continue performance if to do so would exceed the NTE Price set forth in a Task Order, unless and until Iridium notifies Seller in writing that the NTE Price has been increased and specifies in the notice a revised NTE Price that shall constitute the NTE Price for performance under the Task Order.

2.3 Block 1 and NEXT Life Cycle [\*\*\*. . .\*\*\*] . The Parties will use reasonable efforts to [\*\*\*. . .\*\*\*]. It is not an express obligation of either Party to [\*\*\*. . .\*\*\*].

2.4 [\*\*\*. . .\*\*\*] . Notwithstanding any other provision of this Agreement, [\*\*\*. . .\*\*\*].

2.5 Iridium-Furnished Facilities, Equipment, and Technology .

2.5.1 Iridium shall make available to Seller facilities and equipment that are necessary to enable Seller to accomplish the Task Orders issued pursuant to this Agreement, so that Seller may perform the Deliverables required under this Agreement. Any new facilities and/or equipment needed by Seller shall be identified in the applicable Task Order. Notwithstanding the fact that Iridium may request Seller to purchase such new equipment on behalf of Iridium in a Task Order, the Parties agree that Iridium shall own and hold title to any such new equipment purchased on its behalf. Seller has no obligation under this Agreement to provide any facilities or equipment.

2.5.2 Title and risk of loss or damage to Iridium-furnished facilities, equipment and information shall remain with Iridium and shall not pass to Seller (but without limiting Seller's indemnification obligation in Article 10.1), and the Iridium furnished facilities and equipment shall not be used other than for the purposes of this Agreement without the prior written approval of Iridium.

2.5.3 In the event that any Iridium-furnished equipment is found to be deficient, damaged or unserviceable when delivered or otherwise made available to Seller, or becomes lost or unserviceable due to reasons other than willful misconduct or gross negligence on the part of Seller, or becomes deficient, damaged or unserviceable during normal and proper use while in the physical custody of Seller, and such deficiency, damage or unserviceability is reported in writing to Iridium as soon as practicable after the deficiency, damage, or unserviceability has been discovered by Seller, then Iridium, at

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its sole discretion, shall arrange for repair, replacement or modifications as appropriate at no cost to Seller. Iridium shall arrange for repair, replacement or modification at its discretion after such consultation with Seller as is required to minimize any adverse effects on the performance of this Agreement.

2.5.4. Except as may be provided in a Task Order, Iridium shall make available to Seller the Intellectual Property, data, and other information owned or available to Iridium that are necessary to enable Seller to accomplish the Task Orders issued pursuant to this Agreement in a usable format. Seller will use the foregoing only for the purpose of performing under this Agreement and in compliance with any nondisclosure or other restrictions to which the use of the foregoing is subject of which Seller has notice. Except as may be provided in Task Orders, Seller has no obligation under this Agreement to provide any Intellectual Property, data or other information.

2.5.5 Except as may be provided in Task Orders, if Iridium elects to purchase third party software and hardware maintenance, Iridium agrees to make available, at Iridium's expense, such agreements to support Seller's performance of the Task Orders issued pursuant to this Agreement.

2.6 Associate Contractor Relations. Seller will not enter into agreements with any Associate Contractor relating to NEXT without the prior written approval of Iridium. Without limiting the foregoing, Seller will provide to Iridium the contract value and actual payments made to Seller by such Associate Contractor, names of Seller Block 1 personnel who will support such agreements, and statement(s) of work for such relationships, provided that such Associate Contractor(s) has agreed that Seller may provide such information to Iridium. Seller shall include the foregoing disclosure requirements in any agreement it enters into with an Associate Contractor in support of NEXT.

## **ARTICLE 3: PRICES**

### **3.1 Costs.**

3.1.1 Time & Material Hourly Rates. Seller shall provide the Deliverables at the prices or rates as set forth in each Task Order issued hereunder. Prices for individual Task Orders shall be established on a time and materials basis. The Time & Material Hourly Rates as of the Effective Date for each direct labor hour, which includes [\*\*\*...\*\*\*]. (the "T&M Hourly Rate"), are specified by Seller Labor Category in the table below for Field Office and Non-Field Office personnel. The T&M Hourly Rates for 2010 have been mutually agreed upon by the Parties as of the Effective Date and are specified in the table below. The T&M Hourly Rates shall be subject to adjustment on an annual basis. For 2011 and beyond, Seller shall submit the applicable T&M Hourly Rates for each Seller

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Labor Category identified below by no later than March 30 of each year; such rates shall become effective March 1 of each year. The T&M Hourly Rates shall be calculated using [\*\*\*...\*\*\*]:

1. [\*\*\*...\*\*\*];
  2. [\*\*\*...\*\*\*];
  3. [\*\*\*...\*\*\*];
  4. [\*\*\*...\*\*\*];
  5. [\*\*\*...\*\*\*]; and
  6. [\*\*\*...\*\*\*].
- [\*\*\*...\*\*\*].

Task-Ordered Services T&M Hourly Rates				
Rate ID	Seller Labor Category	Labor Category Description	Field Office	Non-Field Office*
			2010	2010
1	[***...***]	See Annex A	\$[***...***]	TBD
2	[***...***]	See Annex A	\$[***...***]	TBD
3	[***...***]	See Annex A	\$[***...***]	TBD
4	[***...***]	See Annex A	\$[***...***]	TBD
5	[***...***]	See Annex A	\$[***...***]	TBD
6	[***...***]	See Annex A	\$[***...***]	TBD
7	[***...***]	See Annex A	\$[***...***]	TBD
8	[***...***]	See Annex A	\$[***...***]	TBD
9	[***...***]	See Annex A	\$[***...***]	TBD
10	[***...***]	See Annex A	\$[***...***]	TBD
11	[***...***]	See Annex A	\$[***...***]	TBD
12	[***...***]	See Annex A	\$[***...***]	TBD

\* Insufficient base to compute rates for Non Field Office exists at the Effective Date. Rates shall be provided once base is established.

3.1.2 **Materials.** Seller shall not purchase materials in support of the Task-Ordered Services, except as otherwise requested by Iridium and agreed by the Parties in a Task Order. All materials required in a Task Order shall be purchased by, and be the property of, Iridium, unless otherwise agreed by the Parties. Seller shall bear no liability for non-performance if non-performance is due to Iridium's failure to provide material as mutually agreed in a Task Order.

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3.1.3 Other Direct Costs . Travel expenses incurred by Seller in performance of the Task-Ordered Services shall be invoiced at actual costs, but in no event shall travel and similar expenses exceed those provided for in the travel and per diem guidelines published by the General Services Administration. No element of profit shall be charged on any of the foregoing.

3.2 Rate Certification and Iridium Audit Rights .

3.2.1 Rate Certification . Seller shall provide, with its annual T&M Hourly Rates and as otherwise reasonably requested by Iridium, certification that Seller's T&M Hourly Rates were established in accordance with Article 3.1.1 above.

3.2.2 Iridium Audit Rights . Seller shall keep complete, true and accurate books of account and records pursuant to its standard accounting system for the purpose of demonstrating Seller's compliance with the provisions of Article 3.1.1. Seller will keep such books and records at Seller's principal place of business for [\*\*\*...\*\*\*] years following the end of the calendar quarter to which they pertain and make them available at all reasonable times for audit to be performed by a reputable and industry recognized independent certified public accounting firm designated by Iridium and reasonably agreed to by Seller. Any such audits will be at the expense of Iridium unless the audit shows that Seller has overcharged amounts due hereunder by more than [\*\*\*...\*\*\*] during the audited period. In such case, the certified public accounting firm's customary and reasonable audit fees shall be paid by Seller. Seller will pay Iridium the full amount of any overpayment within [\*\*\*...\*\*\*] days after the date of receipt of an invoice from the Iridium indicating an overpayment, together with interest at the rate of [\*\*\*...\*\*\*], compounded annually, from the date such payment was made. The independent auditor will be directed to report the basis for its findings, and the independent auditor's findings will be binding upon Iridium and Seller.

**ARTICLE 4: TAXES**

All applicable taxes will be borne by [\*\*\*...\*\*\*].

**ARTICLE 5: INVOICES AND PAYMENTS**

5.1 Notification of Funding Issues . Task Orders are established on a time and materials basis and are intended to be performed at the NTE Price specified in such Task Order. Seller agrees to

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use commercially reasonable efforts to perform the work specified in the Task Order within such funding allotted. If at any time Seller has reason to believe that the hourly rate payments and material costs which will accrue in the performance of the Task Order in the next succeeding [\*\*\*...\*\*\*] days, when added to all other payments and costs previously accrued, will exceed [\*\*\*...\*\*\*] of the funding allotted in the Task Order, Seller shall immediately notify Iridium to that effect and will provide Iridium with a revised estimate of the total price for the performance of the Task Order, together with supporting reasons and documentation.

## 5.2 Task-Ordered Services Invoicing Requirements .

5.2.1 Within [\*\*\*...\*\*\*] business days following the end of each calendar month, Seller shall provide to Iridium a written, non-binding estimate of the amount to be invoiced by Seller for each such calendar month, broken down by Task Order, labor category, and type of expense ( *e.g.* , expense, capital or R&D). Thereafter, within [\*\*\*...\*\*\*] business days following the end of each such calendar month, Seller shall submit a single invoice, including supporting information for each Task Order to be prepared in accordance with this Article 5.2, to Iridium.

5.2.2 Seller's invoices for Task-Ordered Services shall identify the Task Order for which the Deliverables were delivered and shall include dates of performance, number of hours worked by labor category, hourly rate, total labor cost (hours x rate) and any other direct costs with supporting documentation. All invoices will be certified as accurate by an appropriately authorized Seller employee.

5.2.3 If, after receipt of an invoice, Iridium believes a billing error has occurred, Iridium shall provide to Seller evidence of such error. If, after investigation, Seller agrees that there is a billing error, Seller shall submit a corrected invoice to Iridium. If Seller disagrees, the Parties shall negotiate in good faith to resolve the disagreement. Any billing disagreements not satisfactorily resolved by the Parties shall be subject to the Iridium Audit Rights provided for in Article 3.2.2. Iridium shall provide Seller written notification [\*\*\*...\*\*\*] days prior to the initiation of any such audit. Seller will not terminate or suspend services during the resolution of any billing dispute.

5.3 No Waiver . Payments made under this Agreement shall not waive any rights, either expressed or implied, as may exist as part of this Agreement.

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5.4 Terms of Payment. Payment shall be made by Iridium within [\*\*\*...\*\*\*] days after Iridium's receipt of Seller's good and proper invoice. Iridium will make all payments to Seller by unconditional wire transfer of immediately available funds as follows.

Account# [\*\*\*...\*\*\*]  
[\*\*\*...\*\*\*]  
New York, NY  
ABA Routing# [\*\*\*...\*\*\*]  
Swift Code: [\*\*\*...\*\*\*]

5.5 Invoicing Instructions. All invoices and supporting payment documents shall be clearly marked with the applicable Task Order and shall be sent to the following address for payment:

Iridium Constellation LLC  
c/o Iridium Satellite LLC  
Attn: Accounts Payable  
[\*\*\*...\*\*\*]

## **ARTICLE 6: ACCEPTANCE AND INSPECTION**

### **6.1 Acceptance.**

6.1.1 Acceptance of Deliverables provided pursuant to a Task Order issued under this Agreement shall occur following: (a) Iridium's receipt of all Deliverables specified in such Task Order; (b) Seller's completion of acceptance tests in accordance with Iridium-approved acceptance test plans and procedures with all discrepancies resolved (if acceptance test of a Deliverable product is applicable to the Task Order); and (c) upon Iridium's verification that such Deliverables are in conformance with the requirements of the Task Order. Acceptance shall be deemed to have occurred if Iridium has not otherwise notified Seller in writing of any deficiencies in the Deliverable(s) within [\*\*\*...\*\*\*] days following the completion of acceptance of the Deliverables under such Task Order.

6.1.2 In the event any Deliverable provided by Seller to Iridium fails to achieve acceptance, is defective in material or workmanship, or is otherwise not in conformance with the requirements of the Task Order, Iridium may reject by written notice to Seller the Deliverable(s) and require Seller to perform correction, replacement, or re-performance of the Deliverable(s). If Seller performs correction, replacement, or reperformance of the Deliverable(s), Seller shall be entitled to reimbursement of costs in accordance with Article 3.1.

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6.1.3 Notwithstanding the above, if, acceptance is not achieved on the date specified and after having received notice of such failure from Iridium, Seller shall have [\*\*\*...\*\*\*] days (or such longer time as mutually agreed by the Parties) (“Acceptance Cure Period”) to remedy the failure. If Seller fails to achieve acceptance for the affected Task Order within the Acceptance Cure Period, Seller shall lose its exclusive provider rights to provide Deliverables for such affected Task or sub-task, including Seller’s rights set forth under Article 2.4, and Iridium shall have the right to amend the applicable Task Order to remove the sub-task associated with such Deliverable under the Task Order for the remainder of the then-current annual period and for all future annual periods during the Term and have such sub-task be performed by a third party. However, nothing in the preceding sentence shall relieve Seller of its obligations under Article 6.1 to complete the delivery of Deliverables or comply with the acceptance criteria applicable to Deliverables in accordance with the acceptance requirements stated in Article 6.1.

## 6.2 Inspection.

6.2.1 Seller shall provide and maintain an inspection system acceptable to Iridium covering the material, fabricating methods, and maintaining processes for services and Deliverables as specified in Task Orders under this Agreement. Complete records of all inspection work performed by Seller shall be maintained and made available to Iridium during contract performance.

6.2.2 Iridium reserves the right to inspect and test all materials furnished and processes for services performed and Deliverables provided under this Agreement, to the extent practicable at all places and times where Seller or any subcontractor of Seller are engaged in performance under this Agreement, during the period of such performance. Iridium shall perform inspections and tests in a manner that will not unduly interfere with Seller’s performance under this Agreement. If Iridium performs an inspection or a test on the premises of Seller or a subcontractor, Seller shall furnish and shall require subcontractors to furnish all reasonable facilities and assistance for the safe and convenient performance of these duties.

## ARTICLE 7: LIMITED WARRANTY

### 7.1 Limited Performance Warranty.

7.1.1 Services Warranty. Seller represents and warrants that, for a period of [\*\*\*...\*\*\*], including but not limited to the performance of Task-Ordered Engineering Services and Task-Ordered O&M Services, including all Task-Ordered Services involving software development, under any Task Order shall be: (i) in compliance with

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the requirements of the Task Order; and (ii) conducted in a skillful and workmanlike manner in accordance with the standards, practices, methods, and procedures ordinarily expected from a skilled and experienced provider of satellite operations and maintenance services and associated engineering and software development services. Such Deliverables shall be in compliance with the Minimum Service Levels for the applicable Task order.

**7.1.2 Software Warranty.**

7.1.2.1 Seller represents and warrants that, for a period of [\*\*\*...\*\*\*] in the performance of any Task Order will conform to the design and specifications and to drawings, samples or other descriptions referred to in this Agreement and any Task Order and, to the extent that Seller knows or has reason to know of the purpose for which the Deliverables are intended, will be fit and sufficient for such purpose.

7.1.2.2 For any software developed or delivered in the performance of any Task Order other than as set forth in Article 7.1.2.1, Seller represents and warrants that, for a period of [\*\*\*...\*\*\*], such software will conform to the design and specifications and to drawings, samples or other descriptions referred to in this Agreement and any Task Order and, to the extent that Seller knows or has reason to know of the purpose for which the Deliverables are intended, will be fit and sufficient for such purpose.

7.1.2.3 Seller further represents and warrants that, (i) all software developed or delivered hereunder is free of viruses or similar items as verified by testing such software using commercially reasonable anti-viral software; (ii) it will not introduce into any delivered software, without Iridium's prior written approval, any code that would have the effect of disabling or otherwise shutting down all or any portion of the delivered software or any other software, computer or technology of Iridium; and (iii) it will not seek to gain access to the Deliverables through any special programming devices or methods, including trapdoors or backdoors, to bypass, without Iridium's prior written approval, any Iridium security measures protecting the Deliverables.

7.1.3 **Failure to Comply with Warranties.** If Seller is not in compliance with the foregoing warranties in Article 7.1.1 or 7.1.2 during or after the time for completion of any Task Order and upon notification by Iridium of such non-compliance, Seller shall correct the deficiencies in-place or re-perform the Task Order within an incremental period of time not to exceed [\*\*\*...\*\*\*] days (or such longer period of time as mutually

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agreed by the Parties) (the “Warranty Cure Period”) Seller shall be entitled to reimbursement of costs (including profit) for such correction or re-performance in accordance with Article 3.1. If Seller fails to achieve compliance for the affected Task Order within the Warranty Cure Period, Seller shall lose its exclusive provider rights for such affected Task or sub-task including any rights set forth under Article 2.4, and Iridium shall have the right to delete the sub-task associated with such Deliverable under the Task Order for the remainder of the then-current annual period and for all future annual periods and have such sub-task be performed by a third party.

7.1.4 Fraud and Willful Misconduct. Iridium may, at any time beyond the warranty period set forth above, require Seller to remedy by correction or reperformance, without cost to Iridium, any failure by Seller to comply with the requirements of this Article, if the failure is due to fraud or willful misconduct on the part of Seller.

7.2 EXCLUSION. THE WARRANTIES SET FORTH IN THIS AGREEMENT ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND THOSE ARISING BY STATUTE OR OTHERWISE IN LAW OR FROM A COURSE OF DEALING OR USAGE OR TRADE.

## **ARTICLE 8. RESERVED**

## **ARTICLE 9: CONFIDENTIALITY, SECURITY, AND INTELLECTUAL PROPERTY**

### **9.1 Confidential Information.**

9.1.1 Transmittal of Confidential Information. The receiving Party agrees to maintain the confidentiality of the disclosing Party’s Confidential Information and not disclose such information to any third party, except as authorized by the disclosing Party in writing, for a period of [\*\*\*...\*\*\*] years from the date of the respective disclosure by the disclosing Party.

9.1.2 Use of Confidential Information. The receiving Party shall use Confidential Information of the disclosing Party only for accomplishing the purposes of this Agreement and for no other purpose.

9.1.3 Protection of Confidential Information. The receiving Party agrees to restrict disclosure of the disclosing Party’s Confidential Information to its employees or agents who have a “need to know” and to subcontractors who have a “need to know” and who

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have executed an agreement not to disclose such information. The receiving Party agrees that such Confidential Information shall be handled with the same degree of care which the receiving Party applies to its own Confidential Information, but in no event with less than reasonable care. Such obligations include informing its employees, agents and subcontractors who handle such information that it is Confidential Information and not to be disclosed to others. The receiving Party agrees that the disclosing Party's Confidential Information is and shall at all times remain the property of the disclosing Party. The receiving Party further agrees that, except as expressly provided herein, no grant under the disclosing Party's Intellectual Property Rights is hereby given or intended, including any license implied or otherwise.

9.1.4 Return of Confidential Information. Upon termination of this Agreement, all Confidential Information transmitted to the receiving Party by the disclosing Party in record bearing media or other tangible form, and any copies thereof made by the receiving Party shall be destroyed or, at the disclosing Party's written request, returned to the disclosing Party, except that the receiving Party shall be entitled to retain an archive copy of the disclosing Party's Confidential Information in order to be cognizant of its rights and obligations hereunder. This shall not apply for such information which has been retained by the other Party in order to enjoy the user rights granted hereunder.

9.1.5 Marking. Without limiting the foregoing, all documents, data, and other Deliverables which are or contain Confidential Information or Intellectual Property as provided by this Agreement will be marked only as "Iridium Confidential" or "Iridium Proprietary." Such documents, data, and other Deliverables will not be marked "Boeing Confidential" or "Boeing Proprietary" or with any similar Seller or third party marking.

## 9.2 Intellectual Property Rights.

9.2.1 Background Intellectual Property. All Intellectual Property which is owned or controlled by a Party prior to the date of this Agreement, or authored, developed, conceived or first actually reduced to practice contemporaneously with this Agreement, but not arising from the performance of work under this Agreement and/or Task Order (collectively, "Background Intellectual Property"), shall remain the sole and exclusive property of that Party. Unless approved by Iridium in writing, no Seller Background Intellectual Property will be used.

9.2.2 Ownership. Iridium and Seller agree that all Deliverables created by Seller and/or Iridium and related in any way to NEXT (collectively, "Foreground Intellectual Property"), whether or not patentable, shall be owned by Iridium. Notwithstanding the foregoing, ownership rights of Intellectual Property developed under the Block 1 O&M

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Contract prior to the Effective Date of this Agreement shall be as stated in such Agreement in the event of an inconsistency; provided, however, that this Agreement will govern any rights developed after the Effective Date if such Deliverables are applicable to Block 1 and NEXT. To the extent permissible under Title 17 of the US Code, all Foreground Intellectual Property shall constitute a “work made for hire” within the meaning of 17 U.S.C. §101 et seq. If Seller may be entitled to claim any other ownership interest or Intellectual Property Rights in any of the Foreground Intellectual Property, Seller transfers, grants, conveys, assigns, and relinquishes exclusively to Iridium all of Seller’s worldwide right, title, and interest in and to such materials, under applicable Intellectual Property law, in perpetuity or for the longest period otherwise permitted by law. At its standard labor rates, Seller shall execute any documents reasonably requested by Iridium and shall perform any and all further acts reasonably deemed necessary or desirable by Iridium to confirm, perfect or exploit the ownership of the Foreground Intellectual Property by Iridium. If Seller fails to do so, Seller hereby authorizes Iridium and its agents and/or representatives to execute all such documents in Seller’s name and on Seller’s behalf, including filing and/or recording such documents in appropriate governmental or administrative offices anywhere in the world. Iridium may disclose, transfer or license the Foreground Intellectual Property to third parties without the prior written consent of Seller for any purposes including, but not limited to, development, enhancements, improvements, or services. Subject to Article 9.2.1, to the extent that Seller Background Intellectual Property is incorporated into Deliverables, Seller hereby grants to Iridium a non-exclusive, perpetual, worldwide, royalty-free right and license to exercise all Intellectual Property Rights in Seller’s Background Intellectual Property incorporated into the Deliverables for use with NEXT and any successor systems.

9.3 Work with Prime Vendor. The Prime Vendor may choose to provide work to Seller for NEXT implementation. In such event, Seller will follow applicable procedures as directed by Iridium and/or the Prime Vendor. Without limiting the foregoing, the following provisions will apply:

- (a) Copies of documents that are the property of Iridium, or a derivative thereof, shall be marked Iridium Proprietary and provided to Iridium concurrently with submission to the Prime Vendor; and
- (b) The cover page of documents Boeing delivers to the Prime Vendor shall include the following disclaimer:  
“This document contains facts, views, opinions, statements and recommendations of The Boeing Company. Neither Iridium Satellite LLC nor any of its Affiliates

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represent or endorse the accuracy, completeness, reliability of any advice, opinion, statement or other information set forth herein.”

#### 9.4 Intellectual Property Indemnification.

9.4.1 Indemnification by Seller. Seller shall indemnify, defend and hold harmless Iridium, its divisions, subsidiaries, Affiliates, subcontractors, assignees of each, and their respective directors, officers, employees and agents, from and against any and all Claims against Iridium based upon a claim that any Deliverables furnished hereunder by Seller to Iridium infringes the Intellectual Property Rights of a third party except to the extent that infringement results from Iridium provided Intellectual Property, together with all costs and expenses (including attorneys’ fees incident thereto or incident to successfully establishing the right to indemnity), provided that Seller is notified promptly in writing of the suit or proceeding, and at Seller’s request and at its expense, is given control of any action, cause of action, claim, suit or similar action underlying such Claim and Iridium’s reasonable assistance for defense of same. If Seller does not assume control of such action, claim, suit or similar action underlying such Claim, Seller may participate in such defense and Iridium shall have the right to defend the Claim in such manner as it may deem appropriate, at the cost and expense of Seller. If the use or sale of any Deliverable furnished hereunder is enjoined as a result of such suit or proceeding, Seller, at its option and at no expense to Iridium, shall obtain for Iridium the right to use said Deliverable, or shall substitute an equivalent Deliverable acceptable to Iridium and extend this indemnity thereto.

9.4.2 Indemnification by Iridium. Iridium shall indemnify, defend and hold harmless Seller, its divisions, subsidiaries, Affiliates, subcontractors, assignees of each, and their respective directors, officers, employees and agents, from and against any and all Claims against Seller based upon a claim that any Intellectual Property furnished hereunder by Iridium to Seller infringes the Intellectual Property Rights of a third party, except to the extent that infringement results from Seller provided Intellectual Property, together with all costs and expenses (including attorneys’ fees incident thereto or incident to successfully establishing the right to indemnity), provided that Iridium is notified promptly in writing of the suit or proceeding and, at Iridium’s request and at its expense, is given control of any action, cause of action, claim, suit or similar action underlying such Claim and Seller’s reasonable assistance for defense of same. If Iridium does not assume control of such action, claim, suit or similar action underlying such Claim, Iridium may participate in such defense and Seller shall have the right to defend the Claim in such manner as it may deem appropriate, at the cost and expense of Iridium.

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9.4.3 Settlement. The Party required to provide indemnification under this Article 9.4 shall obtain the prior written approval of the indemnified Party, which shall not be unreasonably withheld, before entering into any settlement of any Claim or ceasing to defend such Claim if settlement or cessation would cause injunctive or other equitable relief to be imposed on the indemnified Party. A condition to any settlement by the indemnifying Party of a Claim shall be that the indemnified Party is fully released for any liability related to the Claim.

## 9.5 Access and Security.

9.5.1 Security. Seller shall comply with the security procedures specified from time to time by Iridium.

9.5.2 Without limiting the foregoing, Seller shall comply with the following procedures:

- (a) Iridium shall have access to the Serviced Facilities at all times.
- (b) Iridium shall have full and unrestricted access to Deliverables and to such Deliverables prior to completion.
- (c) All Deliverables in the form of software or other information or technology capable of being placed on a computer shall be placed only on Iridium servers.

## ARTICLE 10: ADDITIONAL INDEMNITIES AND INSURANCE

10.1 Indemnification of Iridium by Seller. Seller shall indemnify, defend and hold harmless Iridium, which is defined for the purposes of this Article 10.1 to include its divisions, subsidiaries, Affiliates, subcontractors, assignees of each, and their respective directors, officers, employees and agents, from and against any and all Claims for injury to or death of any person or loss of or damage to any property of any kind of a third party that occurs on the ground, together with all costs and expenses (including attorneys' fees incident thereto or incident to successfully establishing the right to indemnity), to the extent such injury, death, loss or damage arises out of the gross negligence or willful misconduct of Seller and, in the case of injury to or death of any person or loss of or damage to any property of any kind of a third party [\*\*\*...\*\*\*], to the extent such injury, death, loss or damage arises out of the negligence, gross negligence or willful misconduct of Seller; provided, however, that in no event shall Seller be obligated to indemnify, defend or hold harmless Iridium from any and all Claims for injury to or death of any person or loss of or damage to any property of any kind of a third party that [\*\*\*...\*\*\*]. Seller's

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obligations under this indemnity will survive the expiration, termination, completion or cancellation of this Agreement with respect to any Claim arising before such time.

**10.2 Insurance Provided by Seller .**

- (a) Throughout the period performance of this Agreement, Seller shall carry and maintain Commercial General Liability insurance with available limits of not less than [\*\*\*...\*\*\*] per occurrence for bodily injury, including death, and property damage combined. Such insurance shall contain coverage for all premises and operations, broad form property damage and contractual liability.
- (b) If licensed vehicles will be used by Seller's employees in the performance of this Agreement, Seller shall carry and maintain Automobile Liability insurance covering all vehicles whether owned, hired, rented, borrowed or otherwise, with available limits of liability of not less than [\*\*\*...\*\*\*] per occurrence combined single limit for bodily injury and property damage.
- (c) Seller shall maintain insurance in accordance with the applicable laws relating to workers' compensation with respect to all of their respective employees in the performance of this Agreement, regardless of whether such coverage or insurance is mandatory or elective under the law.
- (d) Seller shall provide Iridium with a Certificate of Insurance evidencing the insurance required above upon request.

**10.3 Indemnification of Seller by Iridium .** Iridium shall indemnify, defend, and hold harmless Seller, which is defined for the purposes of this Article 10.3 to include its divisions, subsidiaries, and Affiliates, subcontractors, the assignees of each, and their respective directors, officers and employees, from and against any and all Claims in excess of the insurance required under Article 10.5, or in the event the insurance is not procured or maintained, does not respond, is not collectible, or is not recoverable for any reason (other than the default of Seller), for: (a) injury to or death of any person, and for loss of, or damage to any property of any kind of a third party; or (b) [\*\*\*...\*\*\*], both (a) and (b) to the extent resulting from or in any way relating to the performance of Seller under this Agreement, [\*\*\*...\*\*\*], whether or not such injury, death, loss, damage or Claim is due to the negligence of Seller, together with all costs and expenses (including attorneys' fees incident thereto or incident to successfully establishing the right to indemnity), but excluding injury, death, loss, damage or Claim caused by the gross negligence or willful misconduct of Seller and excluding injury to or death of any person or loss of or damage to any property of any kind of a third party that occurs in the Serviced Facilities to the extent such injury, death, loss or damage arises out of the negligence, gross negligence or willful

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misconduct of Seller. Iridium's obligations under this indemnity will survive the expiration, termination or completion or cancellation of this Agreement with respect to any Claims arising before such time.

**10.4 Risk of Loss.** As between the Parties, [\*\*\*...\*\*\*] shall retain all risk of loss, and loss of use, of NEXT or any individual NEXT satellite, except in the event of [\*\*\*...\*\*\*]. Further, [\*\*\*...\*\*\*]. Seller assumes the risk of loss for any direct damage to or loss of the property of Iridium or its Affiliates other than [\*\*\*...\*\*\*] to the extent arising out of Seller's gross negligence or willful misconduct. If Iridium insures against loss of or damage to the NEXT or any individual NEXT satellites, Iridium shall cause the insurers to waive all rights of subrogation against Seller to the maximum extent such waiver is available in the commercial insurance market for the class of insurance procured. If such a waiver, consistent with prevailing insurance practices at the time, is available only at an additional premium which is specifically attributable to obtaining a waiver of all rights of subrogation against Seller, then Seller, at its option, may either pay the additional premium, at no cost to Iridium, or waive and release Iridium from its obligation to obtain waiver of all rights of subrogation. If a waiver is not available at all, then the requirement will no longer apply, and the parties shall negotiate in good faith a mutually acceptable alternative, provided that during negotiations each party shall continue to perform its respective obligations under this Agreement. If the parties are unable to negotiate a mutually acceptable alternative, Seller agrees to transition the Task-Ordered O & M Services under this Agreement to Iridium, including support of the transfer of personnel, consistent with applicable law, and sale of assets, equipment, and software, if any, owned by Seller, at book value.

**10.5 Insurance Provided by Iridium.** In the event Iridium obtains in-orbit third party liability insurance, such insurance shall name Seller, its divisions, subsidiaries, Affiliates, subcontractors and their respective directors, officers, employees and agents, as additional insureds. Iridium shall cause the insurers who provide in-orbit third party liability insurance for the NEXT Space Segment to waive all rights of subrogation against Seller, its divisions, subsidiaries, Affiliates, subcontractors and their respective directors, officers, employees and agents, to the maximum extent such waiver is available in the commercial insurance market for the class of insurance procured, but to the extent a waiver is not available, this requirement shall no longer apply. Such insurance, if any, shall also provide that the insurers shall give [\*\*\*...\*\*\*] days notice to Seller prior to the effective date of cancellation of such insurance. Iridium shall provide Seller with a copy of the in-orbit third party liability insurance policy. Seller shall be responsible and liable to Iridium for any increase in premium for the in-orbit third party liability insurance resulting from Seller's gross negligence or willful misconduct.

**10.6 Insurance Presentations.** Seller shall, at no cost or expense to Iridium, support any and all insurance presentations and technical reviews and claims made as requested by Iridium or any of

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its insurance underwriters for any property or liability insurance Iridium may procure with respect to this Agreement or NEXT.

**10.7 Inter-Party Waiver.** In the event Iridium has agreed to the terms of a no-fault, no-subrogation inter-party waiver of liability pursuant to the terms of the launch services agreement with respect to the NEXT Space Segment whereby the parties to the launch services agreement agree not to make claims against each other for loss of, or damage to, property it sustains and for bodily injury or death of its own employees and to flow down the benefits of such agreement to their respective contractors and subcontractors at any tier (including suppliers of any kind) that are involved in the performance of the launch services agreement and, as a result, Iridium is required to extend such waiver of liability to Seller because Seller is considered to be involved in launch activities, Seller agrees to be bound by such waiver of liability and related indemnity provisions that may be contained in the launch services agreement and to cause its contractors and subcontractors at any tier (including suppliers of any kind) that are considered to be involved in launch activities in the performance of this Agreement, to the extent required by the launch services agreement, to accede to such waiver. Seller shall execute and deliver any instrument that may be reasonably required by the launch services provider to evidence its agreement to be bound by such waiver and shall indemnify, defend and hold harmless Iridium, its divisions, subsidiaries, Affiliates, subcontractors, assignees of each, and their respective directors, officers, employees and agents from and against all claims and liabilities that result from Seller's failure to comply with such waiver requirement. In no event shall such no-fault, no-subrogation inter-party waiver and related indemnity provisions have any effect on the rights, obligations and liabilities of and between Seller and Iridium under this Agreement. This provision shall be subject to modification, on mutually acceptable terms, to take into consideration any specific requirements of such interparty waiver of liability that may be in addition to or at variance with this paragraph as may be required by the launch services agreement once executed and delivered by the parties to the launch services agreement. In the event the launch services provider under the launch services agreement provides third party liability insurance for the benefit of Iridium and its contractors and subcontractors at any tier (including suppliers of any kind) that are involved in the performance of the launch services agreement, Iridium shall cause the launch services provider to name Seller, its contractors and subcontractors, and the respective employees of each, in each case that are considered to be involved in launch activities in the performance of this Agreement, as additional insureds under such liability insurance and to request the launch services provider to cause the insurers under such third party liability insurance to waive all rights of subrogation against Seller, its contractors and subcontractors, and the respective employees of each, in each case that are considered to be involved in launch activities in the performance of this Agreement to the maximum extent such waiver is available, if at all, in the commercial insurance market for the class of insurance.

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## **ARTICLE 11: CHANGES**

Iridium may issue written change orders at any time requiring reductions or additions to the work required by this Agreement, or by a Task Order; or extending the performance of the work, all within the general scope of this Agreement, by the issuance of a Task Order or by amending an existing Task Order. Seller will use commercially reasonable efforts to accept and implement the proposed change. Within [\*\*\*...\*\*\*] days of receipt of such change order, Seller shall notify Iridium if Seller accepts the change order, or if modifications are required. If any such change causes an increase or decrease in the cost of, or the time required for, performance under this Agreement or a Task Order, or otherwise affects any other provisions of this Agreement or a Task Order, whether expressly changed or not changed by any such change order by Iridium, Seller shall inform Iridium about all such changes including changes with respect to price or time of performance, and about such other provisions as may be affected in writing within [\*\*\*...\*\*\*] days from the date of receipt by Seller of the notification of such intended change, which will be negotiated by the Parties and the results incorporated into this Agreement and/or any applicable Task Order. Such change orders shall be signed by authorized representatives of Iridium and Seller in accordance with Article 20.

## **ARTICLE 12: RESERVED**

## **ARTICLE 13: EXPORT REGULATIONS AND OTHER LAWS**

13.1 Export Control. This Agreement and transactions hereunder are subject to applicable laws and regulations, including those governing or restricting the export of hardware, software, technical information or other technology or information. Iridium and Seller will:

13.1.1 not export or re-export hardware, software, technical information or other technology or information for which the United States Government requires an export license or other government approval, without first assuring that such license or governmental approval has been obtained;

13.1.2 not export or re-export to any country to which transactions are prohibited by the U.S. Government; and

13.1.3 Seller and Iridium will as necessary apply for export approval(s) for any export or re-export required hereunder. In the event Seller performs Task-Ordered O&M Services or Task-Ordered Engineering Services on behalf of Iridium under this Agreement which requires export approval, Iridium will use its commercially reasonable efforts to apply for such export approval and Seller shall be a signatory to such export approval. Seller shall

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be responsible for all other required export approvals or permits. The Parties shall cooperate with each other to ensure export regulation compliance.

13.2 Permits. Subject to issuance of a Task Order and at Iridium's expense, Seller will provide reasonable assistance to Iridium for regulatory and other filings or other requirements imposed by United States or foreign law.

## **ARTICLE 14: TERMINATION**

### **14.1 Termination of the Agreement.**

14.1.1 Termination for Default. This Agreement may be terminated by either Party if the other Party breaches a material obligation under this Agreement and such breach is not cured within [\*\*\*...\*\*\*] days after the non-breaching Party's delivery of written notice of such breach to the breaching Party (provided that such non-breaching Party is not then in breach of a material obligation under this Agreement). The non-breaching Party shall give the breaching Party notice not less than [\*\*\*...\*\*\*] days prior to the effective date of the termination.

14.1.2 Termination for Convenience. Iridium may terminate this Agreement at any time for convenience and without cause effective on or after June 30, 2019, at no cost to Iridium except as set forth in Article 14.2.3. Iridium shall give notice to Seller no less than [\*\*\*...\*\*\*] days prior to the effective date of the termination.

14.1.3 [\*\*\*...\*\*\*].

(a) [\*\*\*...\*\*\*].

(b) [\*\*\*...\*\*\*].

(c) [\*\*\*...\*\*\*].

(d) [\*\*\*...\*\*\*].

14.1.4 Termination Upon Cancellation of NEXT. If Iridium cancels NEXT, Article 14.1.2 shall not apply and this Agreement shall immediately terminate. Iridium will pay to Seller any unbilled payments through the period of performance specified in the termination notice; provided, however, that Seller shall have used commercially reasonable efforts to mitigate such costs. No other termination costs will be due to Seller. Without limiting the foregoing, in no event shall Seller be entitled to receive any termination for convenience payment contemplated by Article 14.1.2 in the event this

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Agreement is terminated pursuant to this Article 14.1.4. This Article 14.1.4 does not affect the Block 1 O&M Contract regarding termination of NEXT (Article 1.6 of the Block 1 O&M Contract).

#### 14.2 Termination of a Task Order.

14.2.1 Termination by Mutual Agreement. A Task Order or a sub-task thereunder may be terminated at any time upon mutual written consent of Iridium and Seller. In the event of termination, Seller shall be paid for all labor hours expended and actual other direct costs incurred by Seller in delivering the Deliverables through the date of termination.

14.2.2 Termination for Default. Without limiting a Party's right to terminate this Agreement, a Task Order or a sub-task thereunder may be terminated by either Party if the other Party breaches a material obligation under such Task Order or sub-task and such breach is not cured within [\*\*\*...\*\*\*] days after the non-breaching Party's delivery of written notice of such breach to the breaching Party or (if the breach is not one which is capable of being cured within [\*\*\*...\*\*\*] days the breaching Party has failed to commence to cure the breach within [\*\*\*...\*\*\*] days from notice or failed to continue to do so diligently, or in any event, if the breach is not cured within [\*\*\*...\*\*\*] days (provided that such non-breaching Party is not then in breach of a material obligation under such Task Order). If the Task Order or sub-task being terminated hereunder was exclusive to Seller, Seller shall lose such exclusivity and Iridium shall have the rights to procure such terminated services from a third-party.

14.2.3 Termination for Convenience. Subject to Seller's [\*\*\*...\*\*\*] as set forth in Article 2.4 of this Agreement and upon not less than [\*\*\*...\*\*\*] days written notice, Iridium may notify Seller of Iridium's election to terminate a Task Order or sub-task for the convenience of Iridium, and Iridium shall pay Seller for all labor hours expended and actual other direct costs incurred by Seller in creating the Deliverables through the date of termination for convenience. Notwithstanding the foregoing, in no event shall such payment, when combined with all applicable payments previously made by Iridium under the Task Order, exceed the total value of the Task Order or sub-task.

14.3 Limitation. The Party giving reason for terminating any Task Order or sub-task hereunder shall in no manner whatsoever be liable, obligated or indebted to the other Party for any amount that exceeds the agreed price authorized as of the date of termination, less actual amounts paid to the other Party.

14.4 Continuing Obligations. The provisions of Articles 7 (Warranty), 9 (Confidentiality, Security and Intellectual Property), 10 (Additional Indemnities and Insurance), 13 (Export

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Regulations and Other Laws), 14.5 (Transition Services), 17 (Dispute Resolution), 18 (Governing Law), 19 (Limitation of Liability), 20 (Authorized Representatives and Notices), 21 (Assignment), and 22 (General Provisions) survive termination of this Agreement.

14.5 Transition Services. In the event of termination of this Agreement for any reason, then, if requested in writing by Iridium, Seller shall provide transition services to Iridium and/or a third party from the notification date until the effective date of termination of this Agreement, in a timely and safe manner, as defined in a Task Order (such efforts by Seller, the "Transition Services"). The Transition Services shall include, without limitation: (a) support Transition Services planning; (b) access by a third party to work when and as performed; (c) deliver of all data and documentation to Iridium or a third party as directed by Iridium; (d) training of Iridium and/or its third party on all processes, equipment and capabilities associated with operating and maintaining NEXT; and (e) answering all technical and operational questions.

#### **ARTICLE 15: FORCE MAJEURE**

Neither Party will be liable for any failure or delay in performing an obligation under this Agreement that is due to causes beyond its reasonable control, such as, without implied limitation: natural catastrophes, governmental acts or omissions including non-approval of an export license, change of or implementation of new laws or regulations, transportation stoppages or slowdowns or the inability to procure parts or materials. Such delay nevertheless shall not be excusable if the parts or materials were obtainable from other sources in sufficient time. A Party's labor strikes or difficulties are explicitly excluded as force majeure conditions. If any force majeure condition occurs, the Party delayed or unable to perform shall give immediate notice to the other and shall proceed with reasonable diligence to remedy the consequences of the force majeure event. Notwithstanding the foregoing, in the event the supplying Party is delayed in delivery of Deliverable as a result of an event of force majeure for a period of more than three (3) months, the other Party may terminate the relevant Task Order.

#### **ARTICLE 16: CONTENT AND ORDER OF PRECEDENCE**

16.1 Content. The following documents are hereby incorporated into and made a part of this Agreement with the same force and effect as the provisions as stated in this Agreement.

- (a) Annex A Labor Category Descriptions
- (b) Annex B Task Order Format, and any Task Orders issued hereunder

16.2 Order of Precedence. In the event of any inconsistency among or between this Agreement, the Annexes to this Agreement, including Task Orders, such inconsistency shall be resolved by giving precedence in the order set forth below:

- (a) Articles 1 through 22 of this Agreement;

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(b) Annexes to this Agreement; and

(c) Task Orders.

Notwithstanding the foregoing, that if a Task Order expressly provides that such Task Order or any provision thereof shall take precedence over this Agreement (Articles 1 through 22, excluding Article 19, and/or the Annexes), such Task Order or the applicable provision(s) thereof shall take precedence over Articles 1 through 22, excluding Article 19, and/or the Annexes, as applicable. In no event shall a Task Order take precedence over Article 19 hereof.

## **ARTICLE 17: DISPUTE RESOLUTION**

### **17.1 Dispute Resolution**

17.1.1 Resolution Process. In the event any controversy or claim (a “Dispute”) arises in connection with any provision of this Agreement, the Parties’ respective designated representatives shall attempt to resolve the Dispute. If such Dispute cannot be promptly resolved, the Parties’ designated representatives at the level of Seller’s Executive Director and Iridium’s Vice President shall discuss and endeavor to resolve such Dispute within [\*\*\*...\*\*\*] days after referral of the Dispute to them. If the Parties have resolved the Dispute, the Parties shall execute a Dispute resolution report and each Party shall commence the resolution of the Dispute in accordance therewith. In the event the Parties have failed to resolve the Dispute within [\*\*\*...\*\*\*] days after the referral of the Dispute to them, the Parties shall refer the Dispute to the Parties’ designated representatives at Seller’s Senior Executive Director and Iridium’s Executive Vice President for resolution (“Senior Party Representatives”). Such Senior Party Representatives’ determination of a resolution with respect to any Dispute shall be final and binding on the Parties. In the event the Senior Party Representatives have failed to resolve the Dispute within [\*\*\*...\*\*\*] days after the referral of the Dispute to it, the Parties may escalate the Dispute to Seller’s Division Vice President and Iridium’s Chief Executive Officer for resolution (“Executive Party Representatives”).

17.1.2 Legal Action. If any Dispute, other than a dispute involving a claim of breach under Article 9.1 hereof, arises between the Parties, and the disputed matter has not been resolved by the Executive Party Representatives within [\*\*\*...\*\*\*] days after such dispute has been referred to it, or such longer period as agreed to in writing by the Parties, and without regard to whether either Party has contested whether these procedures, including the duty of good faith, have been followed, each Party shall have the right to commence any legal proceeding as permitted by law. Neither Party shall be obligated to comply with this Article 17.1.2 in regard to breaches of Article 9.1 hereof or for any other breach as to which injunctive relief is sought.

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17.1.3 No Termination or Suspension of Deliverables . Notwithstanding anything to the contrary contained herein, and even if any Dispute or other dispute arises between the Parties and regardless of whether or not it requires at any time the use of the dispute resolution procedures described above, in no event nor for any reason shall Seller interrupt the provision of Deliverables to Iridium or any obligations related to Transition Services, disable any hardware or software used to provide Deliverables, or perform any other action that prevents, impedes, or reduces in any way the provision of Deliverables or Iridium's ability to conduct its activities, unless: (i) authority to do so is granted by Iridium or conferred by a court of competent jurisdiction; or (ii) the Agreement has been terminated pursuant to Article 14.1 hereof or the Term has expired and Transition Services satisfactory to Iridium have been completed.

17.1.4 No Limitation on Iridium Remedies for Default . The procedure described in this Article 17.1 shall not be deemed to limit either Party's rights under Article 14.1.2 in connection with a breach of a material obligation under this Agreement by the other Party.

## **ARTICLE 18: GOVERNING LAW**

This Agreement will be interpreted under and governed by the laws of the State of New York, U.S.A., except that New York choice of law rules shall not be invoked for the purpose of applying the law of another jurisdiction.

## **ARTICLE 19: OTHER LIMITATIONS OF LIABILITY**

19.1 Allocation of Risks . THE PARTIES TO THIS AGREEMENT EXPRESSLY RECOGNIZE THAT COMMERCIAL SPACE VENTURES INVOLVE SUBSTANTIAL RISKS AND RECOGNIZE THE COMMERCIAL NEED TO DEFINE, APPORTION AND LIMIT CONTRACTUALLY ALL RISKS ASSOCIATED WITH THIS COMMERCIAL SPACE VENTURE. THE WARRANTIES, OBLIGATIONS, AND LIABILITIES OF SELLER AND IRIDIUM, AND THE REMEDIES OF SELLER AND IRIDIUM, AND THE LIMITATIONS OF LIABILITY SET FORTH IN THIS AGREEMENT FULLY REFLECT THE PARTIES' NEGOTIATIONS, INTENTIONS, AND BARGAINED-FOR ALLOCATION OF THE RISKS ASSOCIATED WITH THIS COMMERCIAL SPACE VENTURE.

19.2 Exclusive Remedies . THE SOLE REMEDIES OF SELLER AND IRIDIUM FOR ANY CLAIMS AGAINST THE OTHER PARTY (AND ITS AFFILIATES, SUBCONTRACTORS, AGENTS AND REPRESENTATIVES) WITH RESPECT TO ALL CLAIMS OF ANY KIND, WHETHER IN CONTRACT, WARRANTY, STRICT LIABILITY, TORT, OR OTHERWISE, AND WHETHER ARISING BEFORE OR AFTER DELIVERY OF ANY DELIVERABLE, FOR ANY LOSSES ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY

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TASK ORDER ARE LIMITED TO [\*\*\*...\*\*\*], WHICH ARE IN LIEU OF ANY OTHER REMEDIES AT LAW OR IN EQUITY.

19.3 Limitations and Forums. The limitations of liability specified in this Agreement will apply regardless of the forum in which the Claim is brought, whether in court or in arbitration or by notice to Seller to remedy a defect, or whether it is paid as a result of a settlement. Once one Party has paid the other Party an amount equal to the limit of its liability, then such other Party will not have any further right to receive money from the claiming Party for any Claim.

19.4 Limitation on Damages. EXCEPT PURSUANT TO INDEMNIFICATION PROVISIONS IN ARTICLES 9.4 10.1 AND 10.3, NEITHER SELLER NOR IRIDIUM SHALL HAVE ANY OBLIGATION OR LIABILITY TO THE OTHER HEREUNDER FOR ANY PUNITIVE, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, WHETHER ARISING IN CONTRACT (INCLUDING WARRANTY), TORT (INCLUDING ACTIVE, PASSIVE, OR IMPUTED NEGLIGENCE) OR OTHERWISE, WHETHER FORESEEABLE OR NOT.

For the purposes of this Article 19, the term “Seller” and the term “Iridium” includes their respective divisions, subsidiaries, Affiliates, subcontractors and their respective directors, officers, employees and agents.

## **ARTICLE 20: AUTHORIZED REPRESENTATIVES AND NOTICES**

20.1 Authorized Representatives. The representatives of Iridium and Seller authorized to make changes to this Agreement, to sign contractual documents, and to receive Notices under Article 20.2 are the following authorized representatives (or their designated representatives):

**Iridium**

John Brunette  
Chief Legal & Administrative Officer

Scott Smith  
Executive Vice President, NEXT

John Roddy  
Executive Vice President, Global Operations and Product Development

**Seller**

Danny White  
Contract Manager

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20.2 Notices. Any notice to be given hereunder shall be in writing and shall be sent by a nationally recognized overnight courier (e.g., Federal Express), or per facsimile transmission, to the Parties at the following addresses:

If to Iridium :

Iridium Satellite LLC  
2030 East ASU Circle  
Tempe, Arizona 85284  
Attn: Scott Smith, Executive Vice President, NEXT  
Tel No: [\*\*\*...\*\*\*]  
Fax No: [\*\*\*...\*\*\*]

Copy to :

Iridium Satellite LLC  
1750 Tysons Boulevard, Suite 1400  
McLean, VA 22102  
Attn: Chief Legal & Administrative Officer  
Tel No: [\*\*\*...\*\*\*]  
Fax No: [\*\*\*...\*\*\*]

If to Seller :

The Boeing Company  
13100 Space Center Blvd.  
Houston, TX 77059  
Attn: Danny White, Contract Manager  
[\*\*\*...\*\*\*]  
Tel No: [\*\*\*...\*\*\*]  
Fax No: [\*\*\*...\*\*\*]

Any notice to be provided by either Party shall be signed by an authorized representative of that Party in accordance with this Article 20. Either Party may change its aforementioned representatives at any time by providing written notice to the other Party.

**ARTICLE 21: ASSIGNMENT**

21.1 Assignment. Neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned or delegated, in whole or in part, by operation of law or otherwise, by either of the Parties hereto without the prior written consent, which shall not be

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unreasonably withheld, of other Party hereto, and any such assignment without such prior written consent shall be null and void, except:

21.1.1 Notwithstanding the foregoing, Iridium may, assign or transfer this Agreement or all its rights, duties, or obligations hereunder with written notice to Seller, but without requiring Seller's approval: (i) to an Affiliate of Iridium that has equivalent or greater financial resources as Iridium; (ii) to any entity which, by way of merger, consolidation, or any similar transaction involving the acquisition of substantially all the stock, equity or the entire business assets of Iridium succeeds to the interests of Iridium; provided in either case the assignee, transferee, or successor to Iridium has expressly assumed all the obligations of Iridium and all terms and conditions applicable to Iridium under this Agreement and has equivalent or greater financial resources as Iridium; (iii) to any designee or customer of Iridium or any Affiliate thereof provided that Iridium remains primarily liable to Seller for any payment obligation hereunder; or (iv) to any Affiliate of Iridium not meeting the requirements of items (i) or (iii), provided that Iridium provides to Seller an Affiliate guarantee addressing the payment obligations of the relevant Iridium Affiliate in a form reasonably agreed by Seller.

21.1.2 Notwithstanding the foregoing, Seller may, assign or transfer this Agreement or all its rights, duties, or obligations hereunder with written notice to Iridium, but without requiring Iridium's approval: (i) to a corporation or other entity that results from any merger, reorganization, or acquisition of Seller; (ii) to a corporation or other entity that acquires substantially all the assets of Seller; (iii) its rights to receive money may be assigned to a third party; and (iv) to any wholly-owned subsidiary of Seller provided that Seller will remain fully and solely responsible to Iridium for all responsibilities of Seller under the Agreement.

21.2 Lender Requirements. Subject to the restrictions and conditions set forth in Article 9.1, Seller shall use reasonable efforts to provide to any of Iridium's lenders or financing entities any information that such lender or financing entity reasonably requires and shall reasonably cooperate with such lender or financing entity and Iridium to implement such financing. Seller agrees to negotiate in good faith and issue such documents as may be reasonably required by any Iridium lender or financing entity to implement such financing, including a contingent assignment of this Agreement to such lender or financing entity, under terms reasonably acceptable to Seller, but in no event shall Seller be obligated to agree to anything (including agreement to make modification to this Agreement) that would impair, create a risk to, or otherwise prejudice its rights and benefits hereunder or increase its liabilities or obligations hereunder.

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## ARTICLE 22: GENERAL PROVISIONS

22.1 Entire Agreement. This Agreement, together with all Annexes hereto and all Task Orders issued hereunder, constitutes the entire agreement between the Parties and supersedes all prior understandings, commitments, and representations with respect to the subject matter hereof.

22.2 Amendments. This Agreement may not be amended, modified, or terminated, other than as specifically provided herein, and none of its provisions may be waived, except in writing signed by an authorized representative of both Parties in accordance with Article 20. The failure by either Party to exercise any of its rights in one instance will not be deemed a waiver of such rights in the future or a waiver of any other rights under this Agreement or under a Task Order.

22.3 Severability. In the event any part of this Agreement is declared legally invalid or unenforceable by an authorized judicial body, this Agreement shall be ineffective only to the extent of such invalidity or unenforceability, and such invalidity or enforceability shall not affect the remaining provisions of this Agreement, and the Parties shall negotiate in good faith to replace the invalid or unenforceable provision(s) with a provision that is valid and enforceable and come nearest to the intention of the Parties underlying the invalid or unenforceable provisions.

22.4 Interpretation. This Agreement is the result of negotiation between the Parties. The Parties agree that neither Party shall be deemed to be the drafter of this Agreement, and further that in the event that this Agreement is ever construed by a court of law, such court shall not construe this Agreement or any provision of this Agreement against either Party as the drafter of this Agreement. Except as expressly set forth in this Agreement, neither Seller nor Iridium has relied on the representations of the other Party in entering into this Agreement. Iridium and Seller are knowledgeable commercial Parties in the subject matter of this Agreement, which the Parties negotiated at arms' length.

22.5 Relationship of the Parties. This Agreement shall not constitute, give effect to, or otherwise imply a joint venture, partnership, or formal business organization of any kind between the Parties, and the rights and obligations of both Parties shall be only those expressly set forth herein.

22.6 Independent Contractors. In performing any obligation created under this Agreement, the Parties agree that each Party is acting as an independent contractor and not as an employee or agent of the other Party. Neither Party has any authority hereunder to assume or create any obligation or responsibility, expressed or implied, on behalf or in the name of the other Party or to bind the other Party in any way whatsoever.

22.7 Release of Information.

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22.7.1 Except as may be required by applicable law or by the rules of any national securities exchange or registered securities association, neither Party shall, without the prior written consent of other, which consent shall not be unreasonably withheld: (a) use the name and trademarks of the other Party or any of its employees, or any adaptation thereof, in any publicity, advertising, press releases, marketing activities, annual reports, in-house newspapers, promotional or sales literature, or on any web site; or (b) use the other Party's or any of its employees as a reference in any manner whatsoever to promote the Party's products and capabilities.

22.7.2 Notwithstanding Article 22.7.1 above, Iridium may use any Deliverable reports prepared by Seller, in their original form only, to seek financial investors, or in any prospectus, or in any financing application, or in public or private securities offering, or in any merger, sale or similar capital transaction, or as a part of any documents submitted to the U.S. Government or foreign governments.

22.8 Employee Non Solicitation. Each Party agrees that, for the entire period of this Agreement term, and continuing for one (1) year after the termination or completion of this Agreement (as it may be extended or otherwise amended), neither Party shall directly or through any recruiting agency, headhunter or similar entity or person acting on its behalf, solicit or recruit any employee of the other Party (which as to Seller means only employees then currently assigned to do work under the Block 1 O&M Contract and this Agreement). If any employee should freely resign from a Party, and provided that the other Party had not previously solicited or recruited such employee, then such other Party will be free of this restriction. This Article 22.8 shall survive this Agreement's termination.

This Agreement, including all Annexes hereto, is agreed to and accepted by each Party as of the date of execution by each Party as shown below.

**IRIDIUM SATELLITE LLC**

By: /s/ John Brunette

Name: John Brunette

Title: Chief Legal & Administrative Officer

Date: July 21, 2010

**THE BOEING COMPANY**

By: /s/ Danny White

Name: Danny White

Title: Contract Manager

Date: July 21, 2010

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## ANNEX A—LABOR CATEGORY DESCRIPTIONS

**Rate Code 1 – [\*\*\*...\*\*\*]**  
[\*\*\*...\*\*\*].

**Rate Code 2 – [\*\*\*...\*\*\*]**  
[\*\*\*...\*\*\*].

**Rate Code 3 – [\*\*\*...\*\*\*]**  
[\*\*\*...\*\*\*].

**Rate Code 4 – [\*\*\*...\*\*\*]**  
[\*\*\*...\*\*\*].

**Rate Code 5 – [\*\*\*...\*\*\*]**  
[\*\*\*...\*\*\*].

**Rate Code 6 – [\*\*\*...\*\*\*]**  
[\*\*\*...\*\*\*].

**Rate Code 7 – [\*\*\*...\*\*\*]**  
[\*\*\*...\*\*\*].

**Rate Code 8 – [\*\*\*...\*\*\*]**  
[\*\*\*...\*\*\*].

**Rate Code 9 – [\*\*\*...\*\*\*]**  
[\*\*\*...\*\*\*].

**Rate Code 10 – [\*\*\*...\*\*\*]**  
[\*\*\*...\*\*\*].

**Rate Code 11 – [\*\*\*...\*\*\*]**  
[\*\*\*...\*\*\*].

**Rate Code 12 – [\*\*\*...\*\*\*]**  
[\*\*\*...\*\*\*].

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## ANNEX B- SAMPLE TASK ORDER FORMAT

1. Agreement Reference: Iridium NEXT Support Services Agreement, dated [TBD].
2. Task Order No: \_\_\_\_\_
3. Effective Date of Task Order: \_\_\_\_\_
4. Task Title: \_\_\_\_\_
5. Referenced Document:
6. Task Description/ Scope of Work/ Technical Requirements:  
Seller shall provide the personnel, services, materials, equipment, and facilities necessary for the proper accomplishment of the following Task: [INSERT DESCRIPTION/SOW ATTACHMENT]
7. Task Deliverables and Due Dates:  
Seller shall complete and submit the following Deliverables to Iridium:

<u>No.</u>	<u>Deliverable</u>	<u>Description</u>	<u>Due Date</u>
------------	--------------------	--------------------	-----------------

8. Period of Performance:  
[Beginning Date] through [Ending Date], unless extended by the Parties in a written amendment to this Task Order.
9. Travel Required:
10. Completion/Acceptance Criteria:  
Acceptance of any services or Deliverables hereunder and completion of this Task Order will occur upon: 1) Iridium's receipt of all Deliverables specified above and verification that such Deliverables are in conformance with the requirements of this Task Order; and 2) Iridium's verification that the following additional services have been completed in conformance with the requirements of this Task Order:

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**Service****Completion / Acceptance Criteria**

## 11. Key Personnel

It is understood that the Key Personnel listed below and assigned to this work are important to its overall success and shall not be reassigned or replaced except upon prior notice to and concurrence of Iridium. Seller shall replace Key Personnel in accordance with Article 2.1.4 of this Agreement.

[Insert key personnel names]

## Required Materials:

## 12. Required Iridium Furnished Items and/or Documentation:

## 13. NTE Price:

- A. The efforts under this Task Order will be performed on a Time & Material basis pursuant to the terms of the Agreement with a total NTE Price of xxx Dollars (\$xx,xxx.xx). Seller shall not invoice for and Iridium shall not be responsible to pay expenses that exceed the NTE Price without the express written consent of Iridium.
- B. Authorized labor hours by labor category are as follows:

	Authorized	Hourly	
<u>Labor Category</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>

## 14. Supplemental Terms and Conditions

**IRIDIUM SATELLITE LLC****THE BOEING COMPANY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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Date: \_\_\_\_\_

Date: \_\_\_\_\_

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**CERTIFICATION**  
**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 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 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: November 9, 2010

/s/ Matthew J. Desch  
Matthew J. Desch  
Chief Executive Officer

**CERTIFICATION**  
**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 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 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: November 9, 2010

/s/ Thomas J. Fitzpatrick

Thomas J. Fitzpatrick  
Chief Financial Officer

**CERTIFICATION 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 September 30, 2010, 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: November 9, 2010

/s/ Matthew J. Desch

Matthew J. Desch  
Chief Executive Officer

/s/ Thomas J. Fitzpatrick

Thomas J. Fitzpatrick  
Chief Financial Officer