

CUSTOMER CONTRACT REQUIREMENTS
Satellite
CUSTOMER CONTRACT 400-005

CUSTOMER CONTRACT REQUIREMENTS

The following customer contract requirements apply to this contract to the extent indicated below. If this contract is for the procurement of commercial items under a Government prime contract, as defined in FAR Part 2.101, see Section 3 below.

1. Prime Contract Special Provisions The following prime contract special provisions apply to this purchase order

The following customer contract requirements apply to this contract to the extent indicated below. In all the following clauses, "Contractor" means Seller. In addition, as used in the provisions below, the following terms shall have the meaning stated below.

"Business Day" shall mean a Day, other than (i) Saturday and Sunday, (ii) days on which national Banks are authorized to be closed in New York City, New York, and (iii) the period from December 24th through January 2nd.

"Consultant" means a person or organization retained by THE BUYER'S CUSTOMER to assist BUYER'S CUSTOMER with any facet of the SATELLITE System.

"Data and Documentation" means the data and documentation required to be delivered to THE GOVERNMENTAL AGENCY as specified in the EXHIBITS, including software, software models, data bases and analysis tools.

"Deliverable Item" means any item to be delivered under this Contract, as further defined in the Contract, the statement of work and other Contract appendices, exhibits and attachments.

"Equipment" means individual assemblies, parts thereof and complete systems.

"Ground Station Equipment" means all Equipment delivered or deliverable to BUYER under this Contract by THE CONTRACTOR, but not including any Spacecraft.

"Major Subcontract" means all subcontracts issued, either by THE CONTRACTOR or by a Subcontractor, in excess of TEN MILLION DOLLARS (\$10,000,000.00).

"Major Subcontractor" means the Subcontractor under a Major Subcontract.

"Open Source Software" means [computer software](#) that is available in source code form and for which the [source code](#) and certain other rights are provided under a [software license](#) that permits users to review, change, and improve the software, and to freely distribute the software to third parties without charge.

"SATELLITE System" means the complete set of Deliverable Items and Data and Documentation being purchased by BUYER'S CUSTOMER pursuant to the terms of BUYER'S contract with BUYER'S

CUSTOMER.

"Software" means computer software programs and data in machine-readable form (object code) and/or human readable form (source code) which is required to be or is delivered under this Contract.

"Software Critical Fault" means a fault in Software that results in a declaration by THE BUYER'S CUSTOMER that any Spacecraft or the SATELLITE System is non-operational.

"Software Minor Fault" means any Software fault that is not a "Software Critical Fault".

"Spacecraft" or "Satellite" shall mean, as the context requires, the SATELLITE-1 or SATELLITE-2 to be provided in accordance with BUYER'S contract with BUYER'S CUSTOMER.

"Third Party Software" means a proprietary computer software program and related documentation developed by THE CONTRACTOR'S subcontractor and delivered under this Contract that will be licensed pursuant to the third party's standard license terms.

"Work" means all labor, services, and acts (including tests to be performed, materials, articles, data, documentation, developments, Equipment, matters, and things to be furnished and rights to be transferred) by THE CONTRACTOR or any of its subcontractors under this Contract, or any contract or sub-contract entered into by THE CONTRACTOR or its subcontractor(s) in connection with the SATELLITE System.

**APPENDIX 7:
DEFECTS & WARRANTIES**

1 RESERVED**2 DELIVERABLE ITEMS OTHER THAN SPACECRAFT****2.1 Reserved**

2.2 BUYER shall have the right, at any time during the warranty period and irrespective of prior inspections or acceptances, to reject any Equipment, Software or services not conforming to the requirements of this Contract. In such case, BUYER may require THE CONTRACTOR, at its expense, to repair or replace (at BUYER'S option or, in the case of minor non-conformances, at THE CONTRACTOR'S option) such non-conforming Work with conforming Equipment, Software or services, in accordance with the requirements specified in APPENDIX 8, EQUIPMENT REPAIR/REPLACEMENT PROCESS or APPENDIX 9, SOFTWARE REPAIR/REPLACEMENT PROCESS. The replacement option shall not be available to BUYER for minor non-conformances.

2.3 If THE CONTRACTOR fails to correct or replace such defective Equipment, Software or services (not including the Spacecraft or any Equipment or Software thereon), in accordance with the timeframes specified in APPENDIX 8, EQUIPMENT REPAIR/REPLACEMENT PROCESS, or APPENDIX 9, SOFTWARE REPAIR/REPLACEMENT PROCESS, as applicable, BUYER may, by contract or otherwise, correct or repro cure such defective Equipment or Software (not including the Spacecraft or any Equipment or Software thereon), which shall be at THE CONTRACTOR'S expense by BUYER equitably adjusting the Contract Price. Any unexpired warranty hereunder for

such corrected or reprocured Equipment or Software shall expire upon BUYER'S correction or reprocurement of the same, but shall not preclude BUYER from seeking damages for such failure to correct or replace. If, as a result of operating conditions, it is impractical to have THE CONTRACTOR repair or replace such Equipment or Software, BUYER may, if it so elects, require THE CONTRACTOR to repay such portion of the Contract Price as is equitable under the circumstances in lieu of repairing or replacing such defective Equipment or Software. In the case of defective services BUYER, may, if it so elects, require THE CONTRACTOR to reperform any defective services where practical to do so.

Without limiting the obligations of THE CONTRACTOR under any other provision of this Contract, if data or other evidence relating to equipment or end user terminals similar to the Ground Station Equipment and Reference User Terminals provided to BUYER pursuant to this Contract, shows that any Ground Station Equipment, Reference User Terminals or components to be delivered under this Contract seems reasonably likely to fail to meet the applicable specifications or requirements herein or be defective in any way, THE CONTRACTOR shall promptly: (1) notify BUYER of such data or other evidence (to the fullest extent permitted by applicable confidentiality provisions) and of the pending failures or defects; and (2) take appropriate corrective measures, which shall be at its own expense if such data or other evidence is identified during the applicable warranty period, to eliminate any such failures or defects in the Ground Station Equipment or Reference User Terminals delivered or deliverable to BUYER pursuant to this Contract. This obligation shall apply to THE CONTRACTOR whether or not BUYER has or has not previously accepted such Ground Station Equipment, Reference User Terminals or components thereof.

- 2.4 THE CONTRACTOR shall provide BUYER with a plan for the MSS System (the "Spare Parts Plans"), for maintaining spare parts, including a list of all mission-critical replacement level parts. Such Spare Parts Plans shall take into account delivery times for limited source and long-lead items. BUYER shall have the option to purchase such spare parts in accordance with the sparing options provided for under this Contract.
- 2.5 All Software incorporated into a Deliverable Item (other than off-the shelf software purchased by THE CONTRACTOR in good faith) shall not, and any update, enhancement or new version delivered by THE CONTRACTOR shall not, contain any "time-bombs", "worms", viruses, "Trojan horses", "protect codes", "disabling codes", "data destruct keys" or other programs or programming devices that might, or might be used to, improperly access, modify, delete, damage, deactivate/disable (other than for protecting the safe operation of a Spacecraft) or prevent the required functionality or operation of the Software or any Deliverable Items. THE CONTRACTOR will not, without the prior written consent of BUYER, insert into any Software any code that is intended to have the effect of allowing "back door" access, disabling or otherwise shutting down (other than for protecting the safe operation of a Spacecraft), or monitoring the content of all or any portion of the communications services provided by the Satellite System. If a virus is present in the Software upon delivery of such Software or an update or item replaced during the warranty period, or at any time during the warranty period, THE CONTRACTOR shall remove the virus, assist BUYER in reducing the effects of the Virus, and assist BUYER with mitigating and restoring any such losses of operational efficiency or data that arise as a result of virus, all at THE CONTRACTOR'S expense. In no event shall THE CONTRACTOR invoke any disabling code at any time (other than for protecting the safe operation of a Satellite), including upon expiration or termination of the Contract (in whole or in part) for any reason.
- 2.6 THE CONTRACTOR shall deliver Software free of material defects. In addition to the general warranty set forth in this Article 2.0, during the warranty period THE CONTRACTOR shall correct

material Software errors and bugs, and provide any patches or updates required to bring the Software in conformance with the applicable specifications and requirements set forth herein (collectively, "Software Corrections"). THE CONTRACTOR shall make upgrades, enhancements and releases (collectively, "Software Updates") available to BUYER at a commercially reasonable price. The price will include any required retesting or requalification associated with the Software. Such Software Corrections and Software Updates shall be tested to bring the software in conformance with the applicable specifications and requirements set forth herein prior to release.

- 2.7 THE CONTRACTOR shall perform its obligations under this Article in an expeditious manner so as to minimize any interruption or risk of interruption to the functioning of the Satellite System.

3 TECHNICAL REPRESENTATIONS AND WARRANTIES

- 3.1 Without prejudice to any other term of this Contract, THE CONTRACTOR warrants that all services to be provided under this Contract or in connection with the Work shall conform to the standards and skills of an expert experienced and skilled in their profession and in accordance with industry standards. In the event THE CONTRACTOR breaches this warranty THE CONTRACTOR shall apply reasonable efforts to correct the deficiencies in the provision of such services where it is practicable to do so.
- 3.2 Without prejudice to any other term of this Contract, THE CONTRACTOR warrants that it shall perform the Work in accordance with all applicable laws and regulations and government approvals.
- 3.3 In no event shall THE CONTRACTOR be released from any of its warranty obligations as set forth herein as a result of any Deliverable Item receiving Final Acceptance.
- 3.4 Without prejudice to any other term of the Contract, THE CONTRACTOR warrants that the documentation to be provided in accordance with the provisions of this Contract shall be complete and correct.
- 3.5 THE CONTRACTOR represents and warrants that at the time of delivery, it has the right to convey the rights specified in APPENDIX 19, Intellectual Property Rights, with respect to the deliverable Data and Documentation. THE CONTRACTOR further represents and warrants that it is not aware of any allegation of infringement relating to the Deliverable Items, or the operation thereof as provided for in this Contract.
- 3.6 Without prejudice to any other term of this Contract, THE CONTRACTOR undertakes and warrants that it has the necessary power, right or title to perform or fulfill or to the extent applicable procure performance of its or its Subcontractors' obligations pursuant to the Contract.
- 3.7 THE CONTRACTOR warrants that there is no material litigation existing, threatened or pending against it which may affect its ability to fulfill any of its obligations under this Contract. THE CONTRACTOR shall maintain compliance with the ISO 9001 series approach to quality in the performance of all of its obligations under the Contract.
- 3.8 THE CONTRACTOR covenants that the representations and warranties made by it in this APPENDIX 7 or in any certificate delivered pursuant to this Contract, shall be true on each of the Effective Date of Contract and on the date upon which title to the deliverable item passes to BUYER, in each case as if made on and as of such date. On the dates upon which title transfers to BUYER, THE CONTRACTOR shall provide BUYER with a certificate confirming the foregoing,

signed by an executive officer of THE CONTRACTOR who has the authority to bind THE CONTRACTOR.

3.9 Reserved

- 3.10 In addition to the warranties set forth herein, THE CONTRACTOR shall assign to BUYER and BUYER'S CUSTOMER the benefits of any license, warranty and right of indemnity given by any subcontractor, licensor, supplier or manufacturer of Equipment, Software or services provided to BUYER pursuant to this Contract; provided that if such assignment is prohibited under the agreement between THE CONTRACTOR and such third party, BUYER and BUYER'S CUSTOMER shall be deemed to be a third party beneficiary of any such agreements and THE CONTRACTOR shall pass through to BUYER and BUYER'S CUSTOMER all of such benefits.
- 3.11 At the time of initial delivery to BUYER, all Ground Station Equipment and Reference User Terminals shall be delivered new, and not "used" or refurbished Equipment to the extent provided in the STATEMENT OF WORK. However, for warranty repairs or replacement, THE CONTRACTOR is authorized to use "used" or refurbished Ground Station Equipment, Reference User Terminals, or components thereof, provided that they meet the specifications and requirements set out in the applicable EXHIBITS to this Contract.
- 3.12 At the time of initial delivery to BUYER'S CUSTOMER, all Ground Station Equipment shall: (1) have received any and all of the certifications and approvals required for the sale of the equipment to BUYER'S CUSTOMER and for its operation and use of the equipment in Mexico in accordance with the terms of the Contract; and (2) comply with all applicable statutes, rules, regulations and orders of all BUYER'S CUSTOMER'S governmental authorities relating to health and safety; and 3) comply with corresponding and applicable Underwriters Laboratory (UL) standards and Industry best practices in compliance with Nationally Recognized Test Labs (NRTL). The Reference Use Terminals are intended as test articles and are not certified as production units or intended for resale. At the time of delivery to BUYER'S, Reference User Terminals shall have been tested to the applicable certifications and regulations required for the sale, operation and use of the equipment in Mexico.
- 3.13 The Data and Documentation delivered under this Contract shall be provided in English and shall be accurate, complete and reflect the "as-built" status for any Deliverable Item, at the Final Acceptance of such item.
- 3.14 THE CONTRACTOR warrants that the training and other services it provides pursuant to this Contract will conform to the highest professional standards of the commercial aerospace and satellite communications industry practice for work similar in type, scope, and complexity to the Work. All training shall be conducted in English by experienced personnel of THE CONTRACTOR, or by third parties accredited by THE CONTRACTOR. Training shall be conducted at a level that can be reasonably understood by BUYER'S CUSTOMER'S trainees (who shall be of an appropriate technical and experience level for the given training hereunder) and shall include appropriate and comprehensive training documentation. The documentation may be copied by BUYER'S CUSTOMER for distribution to its employees, consultants, and users of the Satellite System who have a need-to-know the subject information for the purpose of operating, using or maintaining any or all portions of the Satellite system. In the event of any breach of this warranty, THE CONTRACTOR shall reperform the non-conforming elements of the Training.
- 3.15 a) Additional or replacement Reference User Terminals and will be available for purchase by

BUYER'S CUSTOMER from THE CONTRACTOR or its Subcontractors on reasonable commercial terms for a period of twelve (12) months after the launch of satellite. Thereafter, CONTRACTOR or its Major Subcontractors shall provide BUYER'S CUSTOMER with such notice as is reasonably practicable, but no less than one (1) month prior to the discontinuance of the manufacture or provision of such Equipment ("End of Life Event"). If BUYER'S CUSTOMER receives an End of Life Event notice from THE CONTRACTOR, BUYER'S CUSTOMER may place at least one additional order prior to CONTRACTOR being unwilling to sell and support the applicable Equipment ("Final Order"). THE CONTRACTOR shall honor any Final Order placed by BUYER'S CUSTOMER within the thirty (30) Days after issuance of End of Life Event notice.

b) THE CONTRACTOR shall use commercially reasonable efforts to provide and qualify additional or replacement Ground Station Equipment for purchase by BUYER or BUYER'S CUSTOMER from THE CONTRACTOR or its Subcontractors on reasonable commercial terms for any time until the end of the later of the Service Life of Satellite-1 or the Service Life of Satellite-2. Thereafter, THE CONTRACTOR or its Subcontractors shall provide BUYER and BUYER'S CUSTOMER with written notice of the discontinuance of the manufacture or provision of such Equipment, within a reasonably practicable period, but in no event shall it provide less than one (1) month's prior written notice. If BUYER'S CUSTOMER receives an End of Life Event notice from THE CONTRACTOR, BUYER or BUYER'S CUSTOMER may place at least one Final Order. THE CONTRACTOR shall honor any Final Order placed by BUYER or BUYER'S CUSTOMER within the first thirty (30) Days after issuance of End of Life Event notice. BUYER or BUYER'S CUSTOMER shall notify CONTRACTOR of its intent to place any Final Orders within thirty (30) Days of receiving notice of the End of Life Event and shall give THE CONTRACTOR a monthly forecast of the components that BUYER'S CUSTOMER shall buy.

3.16 Except as otherwise specified in this contract, all corrective actions to be taken under this APPENDIX 7 shall be at CONTRACTOR'S cost and expense, including all costs arising from charges for packaging, shipping, insurance, taxes, and other matters associated with corrective actions.

4 AVAILABILITY OF GROUND STATION EQUIPMENT DURING SERVICE LIFE

4.1 Subject to 3.15, during the longer of the Service Life of Satellite-1 or Satellite-2:

- (a) THE CONTRACTOR shall make Ground Station Equipment (including new generations of such equipment) available to BUYER'S CUSTOMER for purchase and use with the Satellite System; and
- (b) The prices of Ground Station Equipment shall not exceed fair market prices at which such Ground Station Equipment is being sold at such time (including discounts then being made available by THE CONTRACTOR to its buyers or to satellite customers under similar transactions).

APPENDIX 8: EQUIPMENT REPAIR & REPLACEMENT PROCESS

1 Establishment of Repair/Replacement Center

- 1.1 THE CONTRACTOR shall establish a Contractor-certified Equipment Repair/Replacement facility (the "Repair/Replacement Center") in or near THE CONTRACTOR'S factory. The Repair/Replacement Center shall serve as a depot for exchange of Network Control Center and Gateway equipment between THE CONTRACTOR and BUYER or BUYER'S CUSTOMER. For Equipment not manufactured by THE CONTRACTOR, THE CONTRACTOR may request that units be shipped directly to the appropriate Subcontractor's facility, provided that there is no additional cost to BUYER or BUYER'S CUSTOMER, and provided that THE CONTRACTOR shall remain responsible for repair/replacement and return of such Equipment as if they had been returned to CONTRACTOR'S Repair/Replacement Center.
- 1.2 THE CONTRACTOR and BUYER shall, at or before System Critical Design Review (CDR), finalize detailed Repair/Replacement processes and documentation, including clear problem troubleshooting escalation processes. The detailed processes and documentation shall specify the procedures by which the exchange of Ground Station Equipment and their respective components, shall take place between THE CONTRACTOR and BUYER or BUYER'S CUSTOMER.
- 1.3 The Repair/Replacement Center shall be open with 8 hours per Business Day. A Repair/Replacement/Troubleshooting help desk, available by phone and email, shall be open 24 hours per Day, 365 Days per year, and it shall be capable of processing both Equipment and Software issues.
- 1.4 BUYER or BUYER'S CUSTOMER is responsible for all costs to send failed hardware to the Repair/Replacement Center. Such costs shall include, but are not limited to, packaging as per packaging instructions provided by THE CONTRACTOR, shipping, insurance and applicable customer brokerage.
- 1.5 THE CONTRACTOR is responsible for all costs to send repaired units or replacement units to BUYER or BUYER'S CUSTOMER. Such costs shall include, but are not limited to, packaging, shipping, insurance and applicable customer brokerage. BUYER'S CUSTOMER shall be responsible for all BUYER'S CUSTOMER'S taxes and duties on repaired or replacement units delivered to BUYER'S CUSTOMER.

2 Provision of Replacement for Ground Station Equipment and Components

- 2.1 THE CONTRACTOR shall, while the warranty period for any Ground Station Equipment is in effect, provide BUYER or BUYER'S CUSTOMER with replacement units to replace failed Ground Station Equipment. A replacement unit shall become the property of BUYER'S CUSTOMER, and BUYER'S CUSTOMER shall return the failed unit to BUYER or THE CONTRACTOR. The returned failed unit shall become the property of THE CONTRACTOR. The replacement hardware shipped by THE CONTRACTOR to BUYER or BUYER'S CUSTOMER is a permanent replacement, not a temporary replacement and vice versa.
- 2.2 Upon presentation to THE CONTRACTOR of proof (a legible copy of a signed way bill or equivalent transportation document sent by BUYER or BUYER'S CUSTOMER to THE CONTRACTOR by facsimile or email) that failed Ground Station Equipment or components thereof have been shipped to the Repair/Replacement Center, THE CONTRACTOR shall, ship by overnight courier, a functioning replacement unit to BUYER'S CUSTOMER. THE CONTRACTOR shall provide BUYER or BUYER'S CUSTOMER with the name of the shipper and the shipment tracking number.

3 Reference User Terminal Repair/Replacement Process

- 3.1 THE CONTRACTOR shall allow BUYER'S CUSTOMER to submit failed Reference User Terminals, or components thereof, to the Repair/Replacement Center, and shall provide repaired or replaced Reference User Terminals, or components to BUYER'S CUSTOMER for the twelve (12) month warranty period.
- 3.2 Before shipping failed Reference User Terminals or components to THE CONTRACTOR or BUYER, BUYER'S CUSTOMER shall for each such unit:
- (a) give BUYER or THE CONTRACTOR the following information: (1) the failed unit description; (2) failed unit serial number; and (3) failure date; and
 - (b) request BUYER or THE CONTRACTOR to issue a Repair/Replacement number for each such unit.
- 3.3 THE CONTRACTOR shall issue a Repair/Replacement number to BUYER and BUYER'S CUSTOMER, in accordance with Section 3.2 above, within forty-eight (48) hours of the request for Repair/Replacement number, provided that if the request is called in after normal business hours (including weekends and holidays) the Repair/Replacement number shall be issued within forty eight (48) hours after the next business day. Before issuing a Repair/Replacement number for a return shipment, THE CONTRACTOR shall validate warranty dates for all failed Reference User Terminals or components reported by BUYER or BUYER'S CUSTOMER. THE CONTRACTOR shall not be required to issue a Repair/Replacement number for units which have failed beyond their applicable warranty period.
- 3.4 During the twelve (12)-month warranty period, THE CONTRACTOR shall return to BUYER or BUYER'S CUSTOMER, at THE CONTRACTOR'S expense, all repaired and/or replacement Reference User Terminals or components within thirty (30) Days of receipt of the failed units at THE CONTRACTOR'S Repair/Replacement Center, or such earlier time as is commercially reasonable and practicable. THE CONTRACTOR shall provide BUYER and BUYER'S CUSTOMER with the name of the shipper and the shipment tracking number for each shipment.
- 3.5 The warranty period for repaired or replacement Reference User Terminals shall be the longer of three (3) months after repair or replacement or the remainder of the original twelve (12) month warranty period.

4 General Provisions Relating to the Repair/Replacement Process

- 4.1 The warranty period for any repaired or replaced Ground Station Equipment, or components thereof provided by THE CONTRACTOR shall be for the longer of (a) the remainder of the original warranty period or (b) six (6) months after the date of delivery of the repaired/replaced item.
- 4.2 BUYER'S CUSTOMER shall bear the entire risk of loss and expense of any Equipment sent to THE CONTRACTOR for Repair/Replacement. THE CONTRACTOR shall bear the entire risk of loss and expense of Equipment returned to it by BUYER or BUYER'S CUSTOMER, from the time it is received at THE CONTRACTOR'S (or its subcontractor's) facilities, until the repaired or replacement unit is returned to BUYER.

- 4.3 THE CONTRACTOR'S Repair/Replacement obligations, as described in this APPENDIX 8, Equipment Repair/Replacement Process, shall not apply to any Ground Station Equipment, Reference User Terminals, or components thereof, that:
- (a) have had the serial number or model number altered, removed or rendered illegible;
 - (b) have been damaged by or subject to improper handling, improper storage, improper operation or improper installation, misuse, abuse, or neglect by BUYER, BUYER'S CUSTOMER or party not under the control of THE CONTRACTOR;
 - (c) have been repaired or altered by anyone who is not under the control of, or not having the written authorization of THE CONTRACTOR to do so, provided that Equipment may be sent to its manufacturer for repair with THE CONTRACTOR'S written authorization;
 - (d) has been subject to the opening of any sealed cabinet boxes without THE CONTRACTOR'S prior written authorization; and/or has been used in any way other than in material compliance with the written operation instructions provided by THE CONTRACTOR at the time of, or prior to, Final Acceptance of such Equipment. For the purposes of this Paragraph 4.3 of this APPENDIX 8, Equipment Repair/Replacement Process, THE CONTRACTOR'S prior written authorization may be provided via electronic communications (email).
 - (e) The warranties described in this Contract are conditioned upon THE CONTRACTOR and its subcontractors being given reasonable access, if required, to Equipment and/or Software at BUYER or BUYER'S CUSTOMER'S facilities or end use location in order to complete any required repair or replacement.

**APPENDIX 9:
SOFTWARE REPAIR & REPLACEMENT PROCESS**

1 Software

- 1.1 During the applicable warranty period, if a problem with the use or operation of Ground Station Equipment, or a Spacecraft (warranty ends at Intentional Ignition, or for stored spacecraft the earlier of three years or Intentional Ignition) appears to be the result of defective or nonconforming Software, THE CONTRACTOR shall promptly investigate or provide a workaround for the defect or nonconformity in the Software in accordance with the provisions of this APPENDIX 9.
- 1.2 THE CONTRACTOR shall first attempt to diagnose and remedy the defect or nonconformity at THE CONTRACTOR'S own facilities and shall provide BUYER and BUYER'S CUSTOMER with a summary of all available test results including regression test results.
- 1.3 If THE CONTRACTOR determines that any Software defect or nonconformity can be diagnosed or remedied more effectively at BUYER or BUYER'S CUSTOMER'S facilities, or some other location, THE CONTRACTOR shall at its own expense, diagnose and remedy the Software defect or nonconformity at such other location in a way calculated to minimize interference with BUYER'S use of such facilities or BUYER'S CUSTOMER'S use of the facility.
- 1.4 BUYER and/or BUYER'S CUSTOMER shall use commercially reasonable efforts to report any known Software non-conformities to THE CONTRACTOR within thirty (30) Days of having discovered them, provided that BUYER'S and/or BUYER'S CUSTOMER'S failure to do so shall

not relieve THE CONTRACTOR of its obligation to correct nonconforming Software. However, such delay shall cause BUYER and/or BUYER'S CUSTOMER to bear responsibility to pay THE CONTRACTOR for any additional costs incurred to repair or remedy the non-conformity which costs arise from BUYER'S and/or BUYER'S CUSTOMER delay in providing notice.

- 1.5 THE CONTRACTOR shall use commercially reasonable efforts to investigate, seek to diagnose and implement corrective actions for all Software Critical Faults within four (4) hours, and all Software Minor Faults within five (5) Business Days, and shall provide corrected documentation necessary for operation with delivery of the Software remedy to BUYER and/or BUYER'S CUSTOMER, during the applicable warranty period.

APPENDIX 13:**CONTRACTOR INSURANCE REQUIREMENTS**

THE CONTRACTOR shall, at its own expense, provide and maintain the following insurance with insurers of repute and good financial standing which are acceptable to THE GOVERNMENT AGENCY.

1.1 "All Risks" (Property) Insurance

1.1.1 The policy(ies) for "All Risks" insurance ("Property Insurance") shall insure THE CONTRACTOR with loss, if any, payable to the insured, as its interests may appear and shall include THE GOVERNMENT AGENCY as a loss payee as its interests may appear. THE CONTRACTOR shall ensure any Subcontractor thereof procures and maintains such Property Insurance covering Work performed or provided by them.

1.1.2 The Property Insurance shall cover all risks and loss or damage by the perils normally covered in an "all risks" property insurance policy to each Spacecraft and all Ground Station Equipment, and to any and all component parts thereof and all materials of whatever nature used or to be used in completing the Work, in an amount not less than the greater of (i) the replacement value of or (ii) the amounts paid by THE GOVERNMENT AGENCY or BUYER with respect to the Goods and Services or component parts thereof and all materials of whatever nature used or to be used in completing the Work. Such insurance shall provide (i) coverage for removal of debris, and insuring the structures, machines, equipment, facilities, fixtures, and other properties constituting part of the Work, (ii) transit coverage, including ocean marine coverage (unless insured by the supplier), (iii) off-site coverage covering any key equipment, and (iv) off-site coverage covering any property or equipment not stored on the construction site.

1.1.3 The amount of insurance under this Section 1.1 shall be sufficient to cover the full replacement value of all Work.

1.1.4 The Property Insurance shall cover loss or damage to the Work from the time it commences in THE CONTRACTOR'S or Subcontractors' plants or other premises used by THE CONTRACTOR or Subcontractor(s) and shall continue as to each Spacecraft until transfer of risk of loss pursuant to the terms of the Contract addressing the passage of title and risk of loss for property in the Satellites and other Deliverable Items..

1.1.5 The Property Insurance may be issued with deductibles, which are consistent with THE CONTRACTOR'S current insurance policies. The amount of any loss up to the value of the deductible level shall be borne by THE CONTRACTOR or Subcontractor as applicable.

1.1.6 THE CONTRACTOR and any Subcontractor shall cause their respective Property Insurance insurers to waive all rights of subrogation against:

- (1) Any corporation, government entity (including THE GOVERNMENT AGENCY and BUYER), firm, individual, or other interest that the Insured has agreed, prior to loss, to waive responsibility for loss or damage or has agreed to include as loss payees, or against any subsidiary company or any company managed by such insured; and

- (2) The country of THE CONTRACTOR, or others as may be required, as governed by contractual requirements.

1.2 Transit Insurance for the Spacecraft

- 1.2.1 The policy for Transit Insurance (“Transit Insurance”) shall insure THE CONTRACTOR with loss, if any, payable to the insured, as its interests may appear and shall include THE GOVERNMENT AGENCY a loss payee as its interests may appear. Unless work performed by Subcontractors is covered by the Transit Insurance maintained by THE CONTRACTOR, THE CONTRACTOR shall ensure any Subcontractor thereof procures and maintains such Transit Insurance covering Work performed or provided by them.
- 1.2.2 The Transit Insurance shall cover the period from commencement of loading of the Work on board any vehicle or carrier and shall continue in effect while the Work is in transit or in the custody of any common carrier or other bailee.
- 1.2.3 The amount of insurance under this Section 1.2 shall be for the full replacement value of the Deliverable Item being shipped or handled.
- 1.2.4 The Transit Insurance may be issued with deductibles, which are consistent with THE CONTRACTOR’S current insurance policies. The amount of any loss up to the value of the deductible level shall be borne by THE CONTRACTOR or Subcontractor as applicable.
- 1.2.5 The Transit Insurance shall be written to include the identical provision as that in Paragraph 1.1.6 of this APPENDIX 13, Insurance Requirements.

1.3 Commercial General Liability Provided by Contractor

- 1.3.1 The Commercial General Liability Insurance Policy or Policies (“CGL Policy”) shall be written on forms that THE GOVERNMENT AGENCY shall review and approve and shall insure THE CONTRACTOR.
- 1.3.2 This CGL Policy shall be effective from the EDC and shall continue in effect with respect to each Spacecraft up to thirty (30) Days after Launch.
- 1.3.3 The CGL Policy may be issued with a deductible consistent with industry standard and/or THE CONTRACTOR’S practices on other multi-satellite programs. The amount of any loss up to the value of the deductible co-insurance or other self-insured retention shall be borne by THE CONTRACTOR.
- 1.3.4 The Liability Insurance provided by THE CONTRACTOR under this CGL Policy shall be for a combined limit of not less than fifty million dollars (US\$50,000,000.00), inclusive of Personal Injury and Property Damage for any one occurrence arising out of one cause and in the aggregate in respect of product liability.
- 1.3.5 These Policies shall contain the following provisions or coverages:
 - (1) Personal or Bodily Injury (including death) coverage;
 - (2) Property Damage;
 - (3) Completed Operations;
 - (4) Contractual or Assumed Liability in connection with the Work covered by this

Contract.

- 1.4 Worker's compensation insurance, including occupational illness or disease coverage, or other similar social insurance in accordance with the laws of any country, state, or territory exercising jurisdiction over the employee and employer's liability insurance in an amount not less than One Million U.S. dollars (U.S. \$1,000,000) per occurrence. THE CONTRACTOR shall maintain such insurance until Acceptance of all Work, including remedial work, has occurred.
- 1.5 Comprehensive automobile liability insurance against liability claims for personal injury (including bodily injury and death) and property damage covering all owned, leased, non-owned, and hired vehicles used by THE CONTRACTOR in the performance of the Work. Such insurance shall be for an amount not less than Two Million U.S. dollars (U.S. \$2,000,000) per occurrence for combined bodily injury and property damage. Contractor shall maintain such insurance until Acceptance of all Deliverable Items has occurred.

1.6 General Insurance Requirements

- 1.6.1 Within ten (10) Days after EDC, and whenever requested by THE GOVERNMENT AGENCY, THE CONTRACTOR shall produce evidence that the insurance required by this Contract has been effected and is being maintained. THE CONTRACTOR shall, at the written request of THE GOVERNMENT AGENCY, provide THE GOVERNMENT AGENCY with a certificate of insurance evidencing the procurement of all required insurance policies and thirty (30) Days written notice prior to any modification that materially diminishes the insurance coverage required hereunder, cancellation, or non-renewal of such policies. If, after being requested in writing by THE GOVERNMENT AGENCY to do so, THE CONTRACTOR fails to produce evidence of compliance with Contractor's insurance obligations within fourteen (14) Days, THE GOVERNMENT AGENCY may effect and maintain the insurance and pay the premiums. The amount paid shall be a debt due from THE CONTRACTOR to THE GOVERNMENT AGENCY and may be offset against any payments due THE CONTRACTOR by THE GOVERNMENT AGENCY. THE GOVERNMENT AGENCY may, at reasonable times upon reasonable notice, inspect any insurance policy required hereunder at THE CONTRACTOR'S offices.
- 1.6.2 Any insurance coverage provided by THE GOVERNMENT AGENCY and/or BUYER shall in no way limit THE CONTRACTOR'S responsibility or liability under any indemnification provision of this Contract.
- 1.6.3 THE CONTRACTOR may acquire and maintain, at its own expense, other insurance for amounts and perils, and upon such terms, conditions and deductibles as it may deem advisable or necessary to cover any loss or damage to persons or property that may occur as a result of the performance of this Contract.
- 1.6.4 The insurers selected by THE CONTRACTOR to provide the insurance required by this Contract shall have a rating at least as high as those insurers providing coverage on THE CONTRACTOR'S programs for its major commercial customers.

- 1.6.5 THE CONTRACTOR shall, as soon as practicable, inform THE GOVERNMENT AGENCY and BUYER in writing of any occurrence with respect to the Work that may give rise to a claim under a policy of insurance required by this Contract. THE CONTRACTOR shall ensure that its subcontractors similarly inform THE GOVERNMENT AGENCY and BUYER of any such occurrences through THE CONTRACTOR.
- 1.6.6. THE CONTRACTOR warrants and covenants that the insurance coverages and deductibles to be obtained pursuant to this Contract are substantially comparable to those provided to THE CONTRACTOR'S major commercial customers.
- 1.6.7 While preparing claims, each Party shall provide to the other Party any information in its possession (or otherwise available to it) that may reasonably be required to prepare, present, and substantiate an insurance claim at the other Party's written request. Each Party warrants and covenants that it will not intentionally withhold from the other Party any material information it has or will have concerning anomalies, failures, or non-conformances with or deviations from the requirements of this Contract. Upon written request of a Party. Compliance With Applicable Laws, the other Party will respond or permit the first Party to respond to any insurers in relation to all specific and reasonable questions relating to design, test, quality control, launch, and orbital information on the Satellite.

APPENDIX 17:

CONTRACTUAL CHANGE & DEVIATIONS

1 Change Orders by BUYER'S CUSTOMER

- 1.1 The parties acknowledge that changes or adjustments to the technical specifications and other elements may be convenient or necessary for the success of the program. Accordingly, the parties may accept changes or adjustments to the technical specifications and other elements along the duration of this Contract in accordance with the terms of the General Provisions Article "Changes" and this APPENDIX.
- 1.2 THE CONTRACTOR may submit to BUYER one or more requests for a waiver of, or deviation from, provisions(s) of the technical specification applicable to the Spacecraft or other Deliverable Item. BUYER shall respond within forty-five (45) Business Days of THE CONTRACTOR'S submittal of a request for deviation or waiver with a determination of whether to grant such request. A request for waiver or deviation shall be deemed granted only if it has been approved in writing by a duly authorized representative of BUYER. Each such waiver or deviation approved by BUYER shall be deemed to modify the technical specification for the Deliverable Item, permitting such waiver thereof, or deviation therefrom, effective on or after the date of such approval for such Spacecraft or Deliverable Item. All deviations and waivers that substantially modify the price, performance, capacity or technical specifications will need to be carried out as a change to this Contract, duly signed by duly empowered representatives of both parties. BUYER shall consider each waiver or deviation request in good faith and shall not unreasonably withhold its consent to any such request. Notwithstanding the right of THE CONTRACTOR to propose waivers or deviations, BUYER reserves the right not to accept for any reason or no reason at all any such waivers, deviations or changes requested by THE

CONTRACTOR, in which event THE CONTRACTOR will continue to be responsible to comply fully with the terms and specifications provided in this Contract without taking into account the proposed waiver, deviation or change.

- 1.3 BUYER may, at any time after the Effective Date of this Contract, by written change order issued by BUYER to THE CONTRACTOR:

Direct THE CONTRACTOR to stop Work, by one or more orders, up to an aggregate of eighteen (18) months;

- 1.4 Reserved

- 1.5 Contractor's claim for adjustment shall include an analysis of the proposed Change Order to support BUYER'S evaluation, including a price breakdown (including by task description and any deleted task (baseline work no longer required as a result of the change), a description of the Work required to effect the change (including a technical and programmatic description of the change being proposed), a detailed summary of the impact to delivery schedule. THE CONTRACTOR shall respond in writing to any such request within thirty (25) Days after receipt, unless the request is designated as "urgent" by BUYER, in which case THE CONTRACTOR shall respond within seven (7) Business Days after receipt.

- 1.6 Changes required by the obsolescence of components prior to delivery not resulting from a Change Order shall be made by THE CONTRACTOR at THE CONTRACTOR'S cost and expense.

- 1.7 Reserved

- 1.8 In the case of a stop Work direction, THE CONTRACTOR shall stop Work immediately to the extent specified by BUYER. THE CONTRACTOR shall use commercially reasonable efforts to require its subcontractors to agree to a stop Work provision that minimizes THE CONTRACTOR'S costs.. In the event of a stop Work, THE CONTRACTOR shall use commercially reasonable efforts to mitigate costs and shall cooperate in good faith with BUYER in connection with actions taken by THE CONTRACTOR with respect to its subcontractors. In the event BUYER directs a stop Work, all payments due THE CONTRACTOR (except for payments due and payable for Work performed prior to the date of the stop Work order and Work associated with implementing the stop Work order) shall be tolled and shall not accrue for the duration of the stop Work order. If after issuing a stop Work order, BUYER directs THE CONTRACTOR to resume Work, the Delivery Schedule, Price and affected terms of this Contract shall be equitably adjusted due to such Work stoppage pursuant to Article 1.2 hereto.

APPENDIX 19: INTELLECTUAL PROPERTY RIGHTS

1 Grant of License

- 1.1 THE CONTRACTOR agrees to and does hereby grant to BUYER and BUYER'S CUSTOMER the fully paid-up, non-exclusive right and license to use, throughout the world and without payment of additional compensation to THE CONTRACTOR, Data and Documentation, only for the purposes of establishing, maintaining, marketing, operating, and using the Satellite System. BUYER and

BUYER'S CUSTOMER may also provide Data and Documentation to its Consultants, and BUYER'S CUSTOMER may also provide Satellite System and Satellite payload information to its customers subject to such Consultants' and BUYER'S CUSTOMER'S customers' prior written agreement not to make any further disclosure and to use the Data and Documentation in accordance with the terms of this ARTICLE and subject to any export license restrictions that may apply.

(a) In addition, BUYER and BUYER'S CUSTOMER shall have a non-exclusive right to copy for use in connection with any Deliverable Items delivered under this Contract, any Data and Documentation which is required to be furnished to BUYER and/or BUYER'S CUSTOMER; provided that if any of the foregoing Data and Documentation is copyrighted, THE CONTRACTOR hereby grants to BUYER and/or BUYER'S CUSTOMER the royalty-free right to copy such copyrighted material to the extent that THE CONTRACTOR now has or hereafter acquires the authority to grant such right to make copies. Where THE CONTRACTOR is not as of the date of such request from BUYER or BUYER'S CUSTOMER, entitled to license the copying of the relevant item of Data and Documentation to BUYER or BUYER'S CUSTOMER, THE CONTRACTOR undertakes to use reasonable efforts to procure such permission from the relevant third party, and to notify BUYER once such permission has been obtained. BUYER and BUYER'S CUSTOMER shall apply an appropriate copyright notice to all copies of such copyrighted Data and Documentation.

(b) At the time that any Data and Documentation is furnished under this Contract to BUYER and/or BUYER'S CUSTOMER, THE CONTRACTOR shall notify BUYER in writing of the inclusion of the furnished material of any such amount of copyrighted material or other material with respect to which THE CONTRACTOR is not entitled to grant the right to make copies to others.

- 1.2 If BUYER or BUYER'S CUSTOMER reasonably determines that any Data and Documentation furnished by THE CONTRACTOR may not be proprietary, BUYER shall notify THE CONTRACTOR in writing of its determination and THE CONTRACTOR shall have thirty (30) days to respond in writing. If THE CONTRACTOR determines that the information in question is not proprietary and provides such determination in a written response, BUYER and BUYER'S CUSTOMER will be entitled thereafter to modify, remove, obliterate, or ignore any such marking with respect to the agreed upon document.

2 Software Rights

- 2.1 THE CONTRACTOR grants to BUYER and BUYER'S CUSTOMER a fully paid up, non-exclusive, non-transferable, world-wide, royalty-free right and license (which shall become irrevocable with respect to each Satellite upon the launch of that Satellite) (1) to use and maintain the Software for the purpose of controlling the Satellites, provided, however, that BUYER or BUYER'S CUSTOMER may transfer Software to another location for the purpose of controlling the Satellites; and (2) to reproduce the Software for the purposes of safekeeping (archives) or backup, provided that all copyright notices and proprietary markings are reproduced on all copies.
- 2.2 Except for those rights in the Software specifically granted in this Contract, no rights in the Software are granted to BUYER'S CUSTOMER.. BUYER'S CUSTOMER **may** disclose such Software to those Consultant(s) who have BUYER'S CUSTOMER'S permission and who have agreed in writing with BUYER'S CUSTOMER to use the Software only in accordance with these restrictions. These license rights shall not entitle BUYER or BUYER'S CUSTOMER to reverse engineer the Software.

3 Indemnification

This Clause is in lieu of the General Provisions Article requiring the Seller to indemnify Boeing and its customers for third party claims alleging infringement of intellectual property, e.g. GP1, Article 19.

- 3.1 THE CONTRACTOR shall indemnify and hold harmless BUYER, the BUYER'S CUSTOMER'S Government, and BUYER'S CUSTOMER, and their respective successors and assigns, directors, officers, employees, agents, consultants and shareholders from and against any third-party claim or suit based on an allegation that the manufacture of any Deliverable Item or any part thereof or the normal intended use, lease or sale of any Deliverable Item or any part thereof infringes any third party's patent, copyright, or industrial design, mask work, trademark or alleging unauthorized use or disclosure of any proprietary technical information in respect of the Work performed under the Contract ("Intellectual Property Claim").
- 3.2 THE CONTRACTOR agrees to resist, defend or settle (in the manner prescribed in Paragraph 3.4 below, at its own expense, any demand, claim, action or proceeding for royalty payments or for other relief against BUYER and BUYER'S CUSTOMER, their directors, officers, shareholders, agents or employees or consultants, based on an Intellectual Property Claim. THE CONTRACTOR agrees to pay any royalties, liabilities and other costs (including court costs and legal fees) related to the settlement of such demand, claim, action or proceeding and to pay any damages, costs or other sum awarded to or provided in settlement to such third party as a result of such demand, claim, action or proceeding. BUYER agrees to provide THE CONTRACTOR with prompt written notice of any such demand, claim, action or proceeding. It is also agreed that BUYER and BUYER'S CUSTOMER may be represented by counsel of its own choosing to provide it with independent advice. Where BUYER and BUYER'S CUSTOMER are so represented, counsel for THE CONTRACTOR will consult with and keep BUYER and BUYER'S CUSTOMER'S counsel informed of each step in any such action or proceeding. THE CONTRACTOR shall not be entitled to enter into any agreement with the claimant which could: (a) adversely affect BUYER'S ability to perform its prime contract obligations; or (b) hinder or impair the operation of BUYER'S CUSTOMER'S satellite communications system unless BUYER and/or BUYER'S CUSTOMER has provided its prior written approval.
- 3.3 Each Party agrees to promptly provide the other Party with written notice of any infringement demand, claim, request, proceeding or action against THE CONTRACTOR or BUYER and BUYER'S CUSTOMER, as the case may be, arising in connection with any element of the Work or technology incorporated into the Work provided under this Contract and with respect to which there is any reasonable possibility that the operation of BUYER'S CUSTOMER'S satellite communications system could be in any way hindered or impaired as a result of any such demand, claim, action or proceeding.
- 3.4 If as a result of any Intellectual Property Claim, the manufacture, use, lease or sale of any Deliverable Item or component thereof is enjoined, THE CONTRACTOR agrees to utilize its best efforts to:
- (a) Negotiate a license or other agreement with the plaintiff, so that such Deliverable Item or component is no longer subject to such injunction; or
 - (b) If before launch of a Satellite which includes the affected Deliverable Items, , modify suitably such item or substitute a suitable item therefore while still meeting all technical and contractual

requirements, which modified or substituted item is not subject to such injunction; or

(c) Resolve the matters so that the injunction no longer applies to BUYER and BUYER'S CUSTOMER.

- 3.5 In the event none of the alternatives set forth under Paragraph 3.4 above can be suitably accomplished by THE CONTRACTOR within a reasonable period of time, BUYER and/or BUYER'S CUSTOMER shall have the option to require THE CONTRACTOR to refund to BUYER all payments made by BUYER to THE CONTRACTOR on account of the Contract Price for such infringing items, within thirty (30) Days of notice thereof, and CONTRACTOR shall be liable to BUYER for BUYER'S out-of-pocket costs associated with the infringement matter. Should THE CONTRACTOR be required to refund all payments to BUYER under this Paragraph 3.5, BUYER shall retransfer title in the enjoined item to THE CONTRACTOR if title has previously passed to BUYER. The refund and retransfer shall not relieve THE CONTRACTOR from any of its contractual performance obligations hereunder. –
- 3.6 The indemnity contained in these Paragraphs 3.1 to 3.5 above shall not apply where THE CONTRACTOR can show that the infringement or alleged infringement which is the subject of the claim in question resulted from a modification or addition to any Deliverable Item after BUYER'S final acceptance of the Deliverable Item which modification or addition BUYER or BUYER'S CUSTOMER requested to be undertaken by an entity other than THE CONTRACTOR, or which was carried out by BUYER or BUYER'S CUSTOMER itself, and which, in either case, did not arise from performance by THE CONTRACTOR under the Contract. In addition, THE CONTRACTOR shall have no liability for any infringement arising from the combination of such Deliverable Item or part with any other item or part not furnished to BUYER and/or BUYER'S CUSTOMER by THE CONTRACTOR hereunder.
- 3.7 THE CONTRACTOR waives any claim it may have with respect to any proprietary or patent rights of THE CONTRACTOR against BUYER, BUYER'S CUSTOMER and their customers and successors and assigns arising out of the use of the Work or Deliverable Items in the manner intended in this Contract.

4 Third Party Software

- 4.1 THE CONTRACTOR shall obtain BUYER'S prior written consent prior to incorporating any Third Party Software into the Deliverable Items or otherwise providing Third Party Software under this Contract (including any Third Party Software that is Open Source software. Third Party Software which is developed by a third party shall be provided to BUYER and/or BUYER'S CUSTOMER in accordance with the particular third party's standard software license agreement without further payment by BUYER or BUYER'S CUSTOMER. Such license agreement will be provided to BUYER'S CUSTOMER upon installation of such Third Party Software and will, in any event, grant to BUYER and/or BUYER'S CUSTOMER, as applicable, a fully paid-up, royalty-free right and license to use such software for the purposes of this Contract. BUYER'S CUSTOMER agrees to use such Third Party Software only in accordance with the provisions of such software license agreement.

APPENDIX 26:**1 LIABILITY FOR LOSS AND DAMAGE; INSURANCE****1.1 Contractor Indemnity**

In accordance with Clause H900, Article 7 and the terms of this APPENDIX, THE CONTRACTOR shall indemnify and hold BUYER, BUYER'S CUSTOMER, and BUYER'S CUSTOMER'S Government, and their respective successors assignees, officers, employees, agents and consultants while on any premises owned or controlled by the BUYER, BUYER'S CUSTOMER, or BUYER'S CUSTOMER'S Government (herein referred to as "Claims"), including Claims brought by employees of THE CONTRACTOR, and expenses related thereto, including reasonable attorney's fees.

1.2 Launch Site Inter-Party Waiver

BUYER, BUYER'S CUSTOMER and THE CONTRACTOR agree to a no-fault, no-subrogation inter-party waiver of liability under which each Party agrees to be responsible for any damage which it sustains as a result of damage to its own property and injury to employees, including death, while involved in launch operations, which damage is caused by either THE CONTRACTOR, BUYER, BUYER'S CUSTOMER, the Designated Launch Agency or any other party involved in launch operations, and whether such damage arises through negligence or otherwise. It is the intent of the Parties that this inter-party waiver of liability be construed broadly to achieve the intended objectives. For purposes of this Paragraph 1.2 only, both Parties further agree that if they subcontract with a third party to provide services which necessitate the Subcontractor's presence on the Designated Launch Site, then THE CONTRACTOR or BUYER, or BUYER'S CUSTOMER, as the case may be, acknowledge and agree that such third party shall be required to agree to a no-fault, no-subrogation inter-party waiver of liability and indemnity for damages it sustains, identical to the Parties' respective undertakings under this Paragraph 1.2.

In the event that either BUYER, BUYER'S CUSTOMER or THE CONTRACTOR fails to obtain the aforesaid inter-party waiver of liability from its respective Subcontractors then such party failing to obtain the waiver shall indemnify and hold the other party, the Designated Launch Agency, other users of launch services and their respective contractors and Subcontractors harmless from claims brought by Subcontractors, for damage to such Subcontractor's property or injury to, or death of, such Party's Subcontractor's employees in connection with launch operations.

2. MAJOR SUBCONTRACTS

- 2.1 Selection of all Subcontractors under any Major Subcontract, whether as an initial selection or as a replacement selection, other than those listed in the System Statement of Work, which shall be deemed approved for the scope of work described therein, shall be subject to the prior written approval of THE GOVERNMENT AGENCY. Two (2) copies of all Major Subcontracts shall be forwarded to THE GOVERNMENT AGENCY upon their execution by THE CONTRACTOR. Such copies shall include technical content but shall not be required to contain any financial information.
- 2.2 To the extent practical, all Major Subcontracts issued shall contain the provisions specified in the ARTICLES of this Contract as appropriate to the particular subcontract. This Paragraph 7.2 shall not apply to subcontracts that were signed prior to the Effective Date of this Contract.

- 2.3 When part of the Work connected with A Key Deliverable Item is dependent upon work performed by others, THE CONTRACTOR shall inspect and promptly report to THE GOVERNMENT AGENCY'S representative any defect that renders such other work unsuitable for THE CONTRACTOR'S performance required hereunder.
- 2.4 THE CONTRACTOR shall ensure that no Major Subcontract issued shall contain provisions which could limit the right of THE CONTRACTOR to sell the Satellites, or other Deliverable Items under this Contract at the times contemplated in Contract Schedule and in accordance with the terms of the Contract addressing the passage of title and risk of loss for property in the Satellites and other Deliverable Items. For clarity, the inclusion of any such provisions shall not limit THE CONTRACTOR'S performance obligations hereunder.

**APPENDIX 27:
ACCESS TO WORK**

- 1.1 Reserved
- 1.2 Reserved
- 1.3 BUYER and BUYER'S CUSTOMER and their representatives and consultant(s) shall be given reasonable notice of and be entitled to attend meetings and reviews of THE CONTRACTOR as described in the Statement of Work. Additionally where BUYER and BUYER'S CUSTOMER and their representatives and consultant(s) reasonably request access to the same, even if conducted by electronic means, THE CONTRACTOR and its Major Subcontractors shall be given reasonable notice of and be entitled to attend meetings and reviews related to the Contract's project schedule and management, engineering, design, manufacturing, integration and testing and shall have the right to participate in and make recommendations (but not to control, give directions or assign actions) in all review meetings at the system, subsystem and unit level as well as internal program reviews. Furthermore, in the event a meeting is convened at THE CONTRACTOR'S or a Major Subcontractor's plant, THE CONTRACTOR shall make the necessary arrangements to facilitate the entry of BUYER and BUYER'S CUSTOMER or their representatives and consultant(s) to the meeting place. All access shall be subject to all applicable laws and regulations in force, including US export control regulations, and the respective Technical Assistance Agreements (TAAs) and/or other US Government authorizations.

The below paragraph applies to all Major Subcontractors (of any tier) at whose facilities BUYER has a resident presence.

- 1.4 THE CONTRACTOR shall use commercially reasonable efforts to ensure that reasonable on-site office facilities, including office facilities with a reasonable amount of office space, office furniture, local telephone service, reasonable long-distance telephone usage, internet access (at the same speed and quality available to THE CONTRACTOR'S personnel), secure electronic access to THE CONTRACTOR'S dedicated information management system for matters relating to this Contract, access to copy machines, facsimile machines, meeting rooms, car parking facilities and, to the extent available, conference rooms, to enable personnel of BUYER and BUYER'S CUSTOMER (and/or their designated consultants and agents) to monitor the progress of Work under this Contract, are available for personnel of BUYER and BUYER'S CUSTOMER (and/or their designated consultants and agents) at THE CONTRACTOR'S facility and at THE CONTRACTOR'S Major Subcontractor's facilities where THE CONTRACTOR has a resident presence. Notwithstanding the

fact that BUYER and BUYER'S CUSTOMER and their representative's and consultant's personnel resident at THE CONTRACTOR'S facility will be in consultation with THE CONTRACTOR'S personnel, they remain employees of BUYER and BUYER'S CUSTOMER and its consultant(s), as applicable, and as such, compensation for their services remains the responsibility of BUYER and BUYER'S CUSTOMER or its consultants.

1.5 If access to any Work, information and/or documentation is refused by THE CONTRACTOR as a result of its interpretation of any applicable TAA or any applicable U.S. export control law or other required U.S. Government approval, and BUYER disagrees with such interpretation, BUYER shall provide THE CONTRACTOR'S Program Manager with written notification of such dispute and the reasons therefore.