

CUSTOMER CONTRACT REQUIREMENTS
Kacific Payload
CUSTOMER CONTRACT Kacific 02172017

CUSTOMER CONTRACT REQUIREMENTS

The following customer contract requirements apply to this contract to the extent indicated below.

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

1. Launch Site Inter-Party Waiver- This clause applies if Seller or its subcontractors will be involved in launch operations.
 - a. Seller agrees 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 Seller, Buyer, Buyer's Customer, the Designated Launch Provider 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 only, both Parties further agree that if they subcontract with a third party to provide services which necessitate the subcontractor's presence at the Designated Launch Site, then Buyer or Seller, 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.a.
 - b. In the event that either Buyer or Seller fail to obtain from its respective subcontractors the inter-party waiver of liability referenced in paragraph 1.a. above, then such party failing to obtain the waiver shall indemnify and hold the other Party, the Designated Launch Provider, other users of launch services and their respective contractors and subcontractors harmless against claims brought by subcontractors, for damage to such subcontractor's property or injury to subcontractors' employees, including death, in connection with launch operations.
2. Access
 - a. Seller shall provide Buyer, Buyer's Customer, and Buyer's Customer's Consultants reasonable access to the work being performed under the Contract at Seller's facilities, at reasonable times during the performance of the Contract, provided that such access does not unduly interfere with the work under the Contract or other activities at Seller's facilities. All access to work under the Contract must be coordinated with Seller in advance. Seller may, at its reasonable discretion, deny access to Buyer's Customer's Consultants or persons whose business affiliations (present or potential) are contrary to Seller's competitive interest, security requirements, or United States law. Such access rights are subject to United States laws, rules, statutes, licenses, Export Regulations, the terms of the General Provisions, as well as Seller's applicable procedures and policies.
 - b. Subject to the restrictions set forth above, Buyer, Buyer's Customer, and Buyer's Customer's Consultant(s) shall also be afforded reasonable access to Seller's subcontractors' facilities at mutually agreed to times, to the extent that Seller is permitted to provide such access, and subject to Seller accompanying Buyer, Buyer's Customer, its Consultants, and its technical representative on any such visit.
 - c. Work-in-progress, Technical Data and Information, schedule data, and documentation directly related to this Contract shall be subject to reasonable evaluation and inspection by Buyer, Buyer's Customer, and Buyer's Customer's Consultants.
 - d. Buyer, Buyer's Customer, and/or Buyer's Customer's Consultants visiting Seller's facility or Seller's subcontractor's facility will (a) abide by Seller's security regulations and those of its subcontractors and applicable U.S. Government regulations; (b) not disclose to a third party any information received in connection with the access provided and will use such information only in the performance of this Contract, whether or not such

information is marked or otherwise identified as proprietary; and (c) not remove any documents, materials or other items from any facility of Seller or its subcontractors without the express written consent of Seller or Seller's subcontractors. Buyer's or Buyer's Customer's receipt of any documents on a facility visit must be in compliance with Seller's security procedures and all applicable non-disclosure provisions.

3. Confidentiality

The following requirements apply in addition to the Confidential, Proprietary, and Trade Secret Information and Materials Article of the General Provisions.

- a. Buyer's Customer may disclose Seller and Seller's subcontractor's Proprietary Information to its Consultants or satellite operators solely for the purposes of exercising its rights or performing its obligations under this Contract, provided that such Consultants are under written obligation to hold Seller or Seller's subcontractor's Proprietary Information in confidence. Upon request by Seller or affected Seller's subcontractor(s), the Consultant shall be required to directly enter into the Seller's or Seller's subcontractor's standard non-disclosure agreement with Seller or affected Seller's subcontractor(s).
- b. Seller shall promptly notify Buyer of any loss, unauthorized use or disclosure of any Proprietary Information. Seller shall make reasonable efforts to mitigate the effects of such unauthorized use or disclosure.

4. Preliminary Acceptance

- a. If this Contract is for the Ground System, Preliminary Acceptance shall occur upon Buyer's Customer's approval of the preliminary version of the factory acceptance test and the deliverables shall be deemed available for shipment.

5. Warranties

- a. Goods. The warranty period in the Warranty article of the General Provisions shall be extended to three years from Buyer's delivery of Seller's Goods to Buyer's Customer or the last Intentional Ignition, to the extent subsequent Intentional Ignition re-occurs in the case of Terminated Ignition for the JCSAT-18 Satellite, whichever occurs first.
- b. Software. For Satellite Software the warranty period in the Warranty Article of the General Provisions shall be extended to two years from Buyer's delivery of Seller's Software to Buyer's customer or Intentional Ignition for the JCSAT-18 Satellite, whichever occurs first. For Ground Software, the warranty period in the Warranty Article of the General Provisions shall be extended to two years from Buyer's Customer's approval of the preliminary version of the factory acceptance test for the Software.
- c. Performance Data. If performance data from Buyer's in-orbit or in manufacturing satellite(s) or performance data from Seller's Goods shows that there is a critical defect in the design or manufacture of Seller's Goods under the Contract which would adversely affect the performance of Goods delivered by Buyer to Buyer's Customer, Buyer or Seller (i.e., the party who first obtains the performance data) shall promptly notify the other party, and without any additional costs to the Buyer, each of the following shall apply:
 - i. prompt corrective action shall be taken by the Seller to eliminate such deficiencies;
 - ii. in the event that a discovery of a deficiency is made subsequent to the Launch of the Satellite, then Seller will take corrective action;
- d. During the warranty period for Goods in paragraph 5.a., prompt corrective action shall be taken by Seller to disposition anomalies of Seller's Goods, which are not attributable to the Buyer or Buyer's Customer, without any additional costs to Buyer.

6. Force Majeure

- a. Notwithstanding the notification period in the Force Majeure article of the General Provisions, within five (5) Days after the occurrence of a Force Majeure event, Seller shall provide Buyer with notice that a Force Majeure event exists, and such notice shall contain specific words stating that a Force Majeure event has occurred and shall provide the basis for the event in reasonable detail. Seller shall use reasonable efforts to avoid or mitigate any such delay.
- b. At the time of the initial notice of the occurrence of a Force Majeure event, or as soon as possible thereafter, Seller

shall provide Buyer with a detailed written description of the portion of the work affected by the Force Majeure event. The written description shall also provide details of any workaround plans, alternate sources or other means Seller will utilize to minimize the delay to the Delivery schedule s and places of Delivery or any other obligation of Seller under this Contract.

7. Definitions

- a. Buyer's Consultant- means a person or organization retained by Buyer's Customer to provide Buyer's Customer with technical advice in accordance with the Contract.
- b. Buyer's Customer- Kacific Broadband Satellites International Limited
- c. Contract Deliverable Data- means Technical Data and Information generated directly in the performance of work under this Contract and specifically listed as Contract Deliverable Data in the Statement of Work as being a deliverable under the Contract.
- d. Designated Launch Provider/Launch Service Provider- means the company selected by Buyer's Customer to perform launch services, including, but not limited to, furnishing the Launch Vehicle, launch support equipment and facilities for the purpose of launching the Satellite into orbit.
- e. Designated Launch Site-the launch facility and location designated by Buyer's Customer where the Launch Operations Support Services, are to be conducted.
- f. Ground Control Software- the computer software programs and related documentation developed by Buyer, Seller, its licensors, or its subcontractors.
- g. Ground Segment- all of the material used on the ground in connection with operating a Satellite, including facilities, Satellite Control Equipment, Satellite Control Software, and Ground Control Software
- h. Intentional Ignition- with respect to the Satellite, the official start of the ignition process of the Launch Vehicle, which is the time at which the command signal is sent to the Launch Vehicle. This definition shall be modified to reflect the definition of "intentional ignition" in the Launch Services Agreement applicable to Launch of the Satellite, subject to the Changes article of the General Provisions.
- i. JSAT- SKY Perfect JSAT Corporation
- j. JSAT Owned Systems- the portion of the JCSAT-18 Satellite being purchased by JSAT under a separate Contract
- k. JSAT Owned Systems Procurement Contract- contract between JSAT and Boeing for the purchase of the JSAT Owned Systems.
- l. Kacific Payload- shall mean the portion of the JCSAT-18 Satellite being purchased by Kacific under the prime contract with Boeing.
- m. Launch Vehicle- the launch vehicle provided by the Launch Service Provider for the purpose of launching a Satellite.
- n. Proprietary Information-information which a Party deems confidential and/or proprietary which the disclosing Party discloses directly or indirectly to the receiving Party or which the receiving Party obtains by a Party through inspection or observation of the other Party's property or facilities (in writing, orally, graphically, electronically or in any other form).
- o. Satellite- one (1) satellite based on Boeing's 702 MP platform, which includes the JSAT Owned Systems to be provided to JSAT under the JSAT Owned Systems Procurement Contract and the Kacific Payload provided to Kacific as part of the Contract (as defined below). The JSAT Owned Systems and Kacific Payload shall collectively comprise the entire JCSAT-18 Satellite. The terms "Satellite" and "Spacecraft" shall have the same meaning and are interchangeable.
- p. Satellite Control Equipment ("SCE") - the Ground Control Software for the JCSAT-18 Satellite.

- q. Satellite Operating Software- the tracking, telemetry and command (TT&C) software, databases, Procedures (PROCs) and other related software used in the Ground Segment to operate an on-orbit Satellite, which software will be delivered under this Contract in object code form or as data.
- r. Technical Data and Information- documented information, which is required for the use, operation, or maintenance of the Satellite which is provided as part of the work under this Contract. This includes, for example, information in the form of drawings, photographs, technical writings, pictorial reproductions and specifications. This term does not include management reports, financial reports, or cost analysis and information relating to Contract administration.
- s. Terminated Ignition- means that point in time when, following Intentional Ignition, all the first stage engines of the Launch Vehicle are shut down, purposely or accidentally, prior to Launch and the launch pad is officially declared safe by the Launch Vehicle agency. This definition shall be modified to incorporate the definition of the "Terminated Ignition (or relevant word)" established in the Launch Service Agreement, subject to the Changes article of the General Provisions.
- t. Vendor Software- software and related documentation provided by Seller, vendors or subcontractors which is delivered to Buyer under the Contract, pursuant to Seller's, vendors' or subcontractors' license agreement.