

Milbank

Ovzon AB Project Financing

July 2019

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Space Smart®

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Introduction

We are pleased that the prospective lenders to Ovzon AB (“**Ovzon**” or the “**Company**”), including ING (the “**Prospective Lenders**”), are considering Milbank, Tweed, Hadley & McCloy LLP (“**Milbank**”) for the role of legal advisor in connection with the project financing of the development and construction of a geostationary satellite (the “**Project**”).

Milbank’s Space Business Group

Milbank’s leadership and expertise in the satellite and communications sector will provide the Prospective Lenders with comprehensive and value-added legal support. Our team has done more satellite and space project and structured financings than any other by a significant margin. Our **extensive experience representing both sponsors and lenders on satellite financings** allows us to work constructively across the table to eliminate non-issues and focus the parties on finding solutions, building consensus and achieving successful closure.

A Dedicated Space Business Capability

Milbank is alone among global law firms in its commitment to the space and satellite sectors. No other law firm has the same kind of dedicated space business capability. Our team members are actively involved, every day, in the commercial space marketplace. Our clients – project sponsors, satellite companies, aerospace manufacturers, financial institutions, insurers, teleport operators, users of satellite capacity, and investors in space businesses – benefit from that experience. ***Simply stated, we are fully committed to this market.***

We have over thirty years of experience in satellite space project procurement and financing – more than \$50 billion in 30 satellite financings in the past seven years alone. Our core space team has multi-disciplinary, integrated capabilities for finance, project contracts, licensing/regulatory and insurance/risk management, drawing on the support of 700 professionals in 12 offices worldwide. ***We do not outsource our satellite and finance expertise to different team members, rather, we are satellite finance specialists.***

Satellite Project Finance Experience

Milbank has extensive and unparalleled experience with project and structured financings in the space industry, including with international commercial banks, representing both sponsors and lenders. Along with recognition for the specific space projects we name below, we have been recognized as “**2017 Global Legal Adviser of the Year**” by *IJGlobal*; and “**Global Law Firm of the Year**” by *Project Finance International*; “**Global Law Firm of the Year**” by *Who’s Who Legal*.

We are specifically known for our **innovative thinking in structuring bespoke financings in the space sector**. We have an intimate understanding of legal issues of concern to banks involved in the satellite business, with deep experience in working collaboratively with investment banks, financial advisors and export credit agencies in aligning space project risks with finance, corporate and tax objectives.

Examples of our notable space industry project and structured financings with commercial banks include: **O3b Networks Ltd.** in \$1,200,000,000 in debt and equity financing for its 8-satellite global constellation, comprising a \$510,000,000 COFACE-supported credit facility, a \$115,000,000 senior facility and a \$145,000,000 mezzanine facility provided by commercial banks, development fund institutions and multilateral export credit agencies, including HSBC, ING, CA-CIB, Dexia, IFC, DBSA, EAIF, DEG, Proparco and FMO and \$230,000,000 in equity from existing and new shareholders, including SES, Liberty Global, Google, HSBC, IFC, Satya Capital, DBSA and Sofina; awarded *Project Finance Magazine* “**African Telecoms Deal of the Year 2010**”, *Project Finance International Magazine* “**African Telecoms Deal of the Year 2010**”, and *Trade Finance Magazine* “**Deal of the Year 2010**”; **ABS Global Limited and Kingsbridge Ltd.** in \$280,000,000 Senior Secured and Revolving Loan Facilities to refinance existing senior secured project financed debt facilities, underwritten by Goldman Sachs Lending Partners, **ING Bank N.V.** in a \$400,000,000 limited recourse receivables purchase facility to monetize certain orbital receivables payment streams for Space Systems Loral, LLC and Maxar Technologies (formerly MacDonald, Dettwiler and Associates Ltd.); **JPMorgan Chase Bank** in the €165,000,000 senior credit facility to **Hispasat Canarias**, guaranteed by Hispasat and supported by US Ex-Im Bank for the financing of the Amazonas-3 satellite manufactured by Space Systems Loral.

Other recent notable space industry project financed deals have included **PSN, Pasifik Satelit Nusantara and PT PSN Enam Indonesia** in a \$154,000,000 senior secured project financing of its Space Systems Loral-manufactured PSN-VI satellite, with the financing provided by Export Development Canada; **Space-Communication Ltd. (Spacecom)** in a \$293,055,303 export credit agency senior secured facility to finance the manufacture by **Israel Aerospace Industries/MDA Corporation** of the Amos-6 satellite and SpaceX Falcon launch services, supported by Export Development Canada and Export-Import Bank of the United States as co-lead arrangers and lenders, Israel Aerospace

Industries Limited, as lender, JP Morgan Chase Bank, N.A., as Ex-Im Bank Facility Agent, Wells Fargo Bank Northwest, National Association, as Agent and Bank Leumi Le-Israel Trust Company, as trustee.

A more extensive list of our finance experience is set forth in **Annex 1**.

Why Milbank for the Ovzon Project Financing?

We understand that the Prospective Lenders are seeking to complete due diligence by February 8, 2019 and finalize the term sheet for the financing by February 18, 2019. **In order to achieve that timeline, it is critical that the Prospective Lenders work with counsel that has an extensive heritage with satellite project financings**, including with the specific satellite manufacturer and launch services provider for the Project. ***Our proposed team members worked on the procurement and financing of PSN VI (SSL and SpaceX procurement), Amos-6 (SpaceX procurement) and BulgariaSat (SSL and SpaceX procurement)***, among many other transactions involving SSL and SpaceX, as well as all of the other major manufacturers and launch services providers.

Ultimately, in order to achieve a timely closing and avoid costly delays, and to be able to effectively and efficiently identify risks and respond to lender diligence queries that may arise during the course of a financing, your legal team will need to understand first-hand how the manufacturing contract(s), launch services contract(s), key customer contracts and other space industry contracts interrelate, as well as experience collaborating with sponsors and borrowers to solve issues as they arise. Towards this end, it is imperative that your counsel understand the key linkages between the financing documents and the underlying space industry contracts.

Our core team members have structured, negotiated and analyzed more than 600 satellite contracts, including procurement agreements, launch services contracts, tracking, telemetry and command services and supply contracts, gateway procurement and installation agreements, transponder sale and lease agreements and satellite capacity contracts, as well as other application-specific agreements.

Team Members

Our team will include Partners Dara Panahy and Peter Nesgos, and Special Counsel Alexis Sáinz in the United States, and Partner Nick Swinburne in London. With your guidance, we will identify the principal lead member responsible for execution of the transaction.

Our team members' bios are set forth in **Annex 2**.

No Conflict of Interest

We confirm that we currently have no conflict of interest to act on behalf of the Prospective Lenders or implementing the scope of work, based upon the information currently available to us.

Fee Proposal

We understand that completing the scope of work to the requirements of the Prospective Lenders as effectively and efficiently as possible is a key priority. Our fee proposal is set forth in **Annex 3**.

We are delighted to have the opportunity to work on this important transaction with ING and the other lenders, and are confident in our ability to provide efficient, expert and value-added advice.



Milbank

**Annex 1:
Satellite Finance Experience**

Satellite Finance Experience

The satellite financings we structure and negotiate involve a range of techniques and products, including:

- private placements of convertible debt and equity
- customer financing programs offered by manufacturers
- secured and unsecured bank credit facilities
- tax-motivated cross-border leveraged leases
- project financings
- high yield offerings under Rule 144A
- initial public offerings

Examples of recent satellite financings include representing:

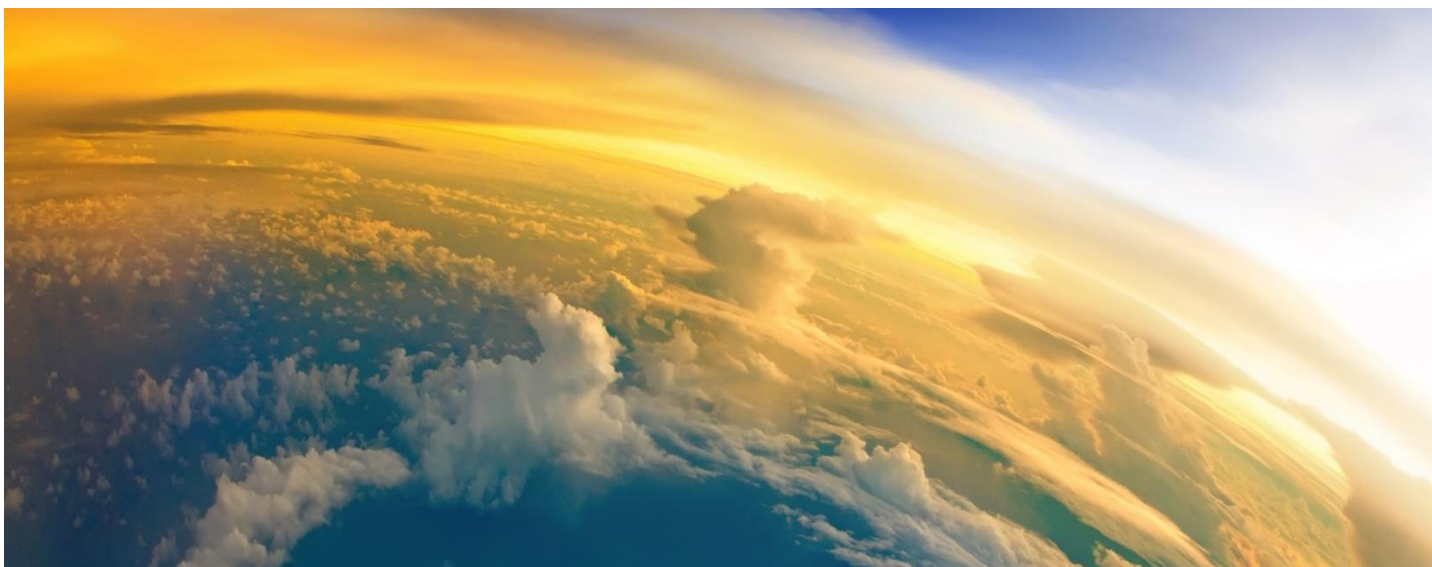
- **ORBCOMM Inc.** in its \$250,000,000 senior secured notes used to refinance existing senior secured credit facilities with J.P. Morgan as lead book-running manager and Raymond James, Canaccord Genuity and Macquarie Capital as co-managers.
- **ABS Global Limited** and **Kingsbridge Ltd.** in \$280,000,000 Senior Secured and Revolving Loan Facilities to refinance existing senior secured debt facilities, underwritten by Goldman Sachs Lending Partners.
- **Avanti Communications Group plc** in a \$242,000,000 refinancing including a \$132,500,000 super senior debt facility to fully fund the company through to the launch of its HYLAS 4 satellite.
- **ING Bank N.V.** in a \$400,000,000 limited recourse receivables purchase facility to monetize certain orbital receivables payment streams for Space Systems/Loral, LLC and MacDonald, Dettwiler and Associates Ltd.



- **Goldman, Sachs & Co., Guggenheim Securities and J.P. Morgan** in connection with the \$1,250,000,000 bond facility, comprising senior secured notes offerings for Intelsat Jackson Holdings S.A. to purchase existing indebtedness and for general corporate purposes.
- **O3b Networks Ltd.** in \$460,000,000 in incremental debt and equity financing to expand the total number of satellites in O3b's constellation from twelve to twenty, including add-on loans from COFACE and commercial banks, development fund institutions and multilateral export credit agencies and new Series H equity from existing shareholders.
- **Bulgaria Sat EAD** in a \$150,500,000 US Export-Import Bank supported senior secured credit facility to finance Bulgaria Sat-1 and related assets.
- **LightSquared** in a \$1,500,000,000 first-lien exit term loan with Credit Suisse, Jefferies and Morgan Stanley.
- **ViaSat, Inc. and ViaSat Technologies Limited** in a \$467,000,000 US Export-Import Bank supported senior secured credit facility to finance ViaSat-2 and related assets.
- **ORBCOMM Inc.** in a US\$160,000,000 multi-tranche senior secured combined term loan B and revolving credit facility provided by Macquarie CAF, for general corporate and corporate acquisition purposes.
- **Avanti Communications Group PLC** in a \$150,000,000 senior secured notes offering. Jefferies LLC as sole bookrunner.
- **Raymond James, Deutsche Bank Securities, William Blair, Canaccord Genuity and Societe Generale** in the offering of \$45,000,000 of common stock and \$125,000,000 of series B cumulative perpetual convertible preferred stock of Iridium Communications Inc.
- **Asia Broadcast Satellite** in a \$471,000,000 US Export-Import Bank supported senior secured credit facility arranged by The Hongkong and Shanghai Banking Corporation to finance the manufacture by Space Systems/Loral and Boeing Satellite Systems of three satellites together with an accompanying \$10,000,000 working capital facility provided by The Hongkong and Shanghai Banking Corporation; awarded *Trade Finance Magazine* "Americas/Asia-Pacific Deal of the Year 2013" and "Export-Import Bank of the United States 2014 Deal of the Year".
- **Space-Communication Ltd. (Spacecom)** in a \$293,055,303 export credit agency senior secured facility to finance the manufacture by Israel Aerospace Industries/MDA Corporation Amos-6 satellite and SpaceX Falcon launch services, supported by Export Development Canada and Export-Import Bank of the United States as co-lead arrangers and lenders, Israel Aerospace Industries Limited, as lender, JP Morgan Chase Bank, N.A., as Ex-Im Bank Facility Agent, Wells Fargo Bank Northwest, National Association, as Agent and Bank Leumi Le-Israel Trust Company, as trustee.



- **Avanti Communications Group PLC** in a \$370,000,000 senior secured notes offering, its initial capital markets placement. Joint global coordinators and joint bookrunners are Jefferies LLC and UBS Investment Bank and joint bookrunner is Barclays Capital.
- **Credit Suisse, Barclays, BofAMerrill Lynch, J.P. Morgan, Morgan Stanley, Goldman Sachs, and Deutsche Bank Securities** in connection with the \$2,635,000,000 bond facility, comprising senior notes offerings of \$2,000,000,000 and \$635,000,000, for Intelsat Jackson Holdings S.A. to purchase existing indebtedness, including related tender offers, and for general corporate purposes.
- **Goldman Sachs, JP Morgan Securities and Morgan Stanley** in connection with the \$3,500,000,000 senior notes facility for Intelsat (Luxembourg) S.A. to purchase existing indebtedness, including related tender offers, and for general corporate purposes.
- **Morgan Stanley, Credit Suisse, Barclays, BofA Merrill Lynch, Goldman Sachs, JP Morgan, Deutsche Bank, UBS, RBC Capital and HSBC** in the \$640,000,000 senior notes facility for Intelsat Jackson Holdings to purchase existing indebtedness, including related tender offers. **JPMorgan Chase Bank** in the \$921,000,000 senior credit facility to the Federal Government of the United Mexican States, supported by US Ex-Im Bank for the financing of Centenario and Morelos mobile communications satellites manufactured by Boeing Satellite Systems and the Bicentenario fixed services communications satellite manufactured by Orbital Sciences Corporation; awarded *Trade Finance Magazine* “Americas Deal of the Year 2012”.
- **Goldman Sachs and Morgan Stanley** in the \$1,200,000,000 senior notes facility for Intelsat Jackson Holdings to purchase existing indebtedness, including related tender offers as well as related senior unsecured term loan commitments to refinance additional existing debt.
- **O3b Networks Ltd.** in the \$85,000,000 debt and \$15,000,000 equity financing to fund an additional 4 satellites for its global constellation, supplementing its existing COFACE-supported credit facility and its senior and mezzanine facilities provided by commercial banks, development fund institutions and multilateral export credit agencies, including HSBC, Natixis, ING, CA-CIB, Dexia, IFC, DBSA, EAIF, DEG, Proparco and FMO.
- **JPMorgan Chase Bank** in the €165,000,000 senior credit facility to Hispasat Canarias, guaranteed by Hispasat and supported by US Ex-Im Bank for the financing of the Amazonas-3 satellite manufactured by Space Systems/Loral.
- **LightSquared Inc.** in the \$263,750,000 senior secured credit facility arranged by UBS AG and in the \$586,000,000 senior secured credit facility arranged by UBS and JP Morgan, as additional financing for its integrated wireless broadband and satellite 4G-LTE wholesale network.
- **Intelsat Jackson Holdings S.A.** in a \$2,650,000,000 senior notes offering and related consent solicitations. Joint book-runners are BofA Merrill Lynch, Credit Suisse Securities, Barclays Capital, Deutsche Bank Securities, Morgan Stanley, UBS Investment Bank, Goldman Sachs, RBC Capital Markets and HSBC.



- **O3b Networks Ltd.** in \$1,200,000,000 in debt and equity financing for its 8-satellite global constellation, comprising a \$510,000,000 COFACE-supported credit facility, a \$115,000,000 senior facility and a \$145,000,000 mezzanine facility provided by commercial banks, development fund institutions and multilateral export credit agencies, including HSBC, ING, CA-CIB, Dexia, IFC, DBSA, EAIF, DEG, Proparco and FMO and \$230,000,000 in equity from existing and new shareholders, including SES, Liberty Global, Google, HSBC, IFC, Satya Capital, DBSA and Sofina; awarded *Project Finance Magazine* “African Telecoms Deal of the Year 2010”, *Project Finance International Magazine* “African Telecoms Deal of the Year 2010”, and *Trade Finance Magazine* “Deal of the Year 2010”.
- **Intelsat Jackson Holdings S.A.** in a \$3,750,000,000 senior secured credit agreement comprising a \$3,250,000,000 term loan facility and a \$500,000,000 revolving credit facility, used to repay existing indebtedness of Intelsat Corporation and Intelsat Subsidiary Holding Company S.A. Joint book-runners are BofA Merrill Lynch, Credit Suisse Securities USA, JP Morgan Securities, Barclays Capital, Deutsche Bank Securities, Morgan Stanley Senior Funding and UBS Securities. Co-managers are Goldman Sachs, RBC Capital Markets and HSBC.
- **Hughes Network Systems, LLC** in the \$115,000,000 COFACE-supported credit facility to finance the launch of the Jupiter/Spaceway 4 satellite with BNP Paribas and Societe Generale as lead arrangers.
- **Citigroup Venture Capital International** and **Asia Broadcast Satellite Holdings** in the acquisition by Ace Investments (Permira funds) of a controlling interest in Asia Broadcast Satellite.
- **Iridium Satellite LLC** in the \$1,800,000,000 COFACE-supported credit facility to finance the second generation NEXT satellite constellation with Deutsche Bank, Banco Santander, Societe Generale, Natixis and Mediobanca International as lead arrangers; awarded 2010 *Project Finance Magazine* “Telecom/Satellite Deal of the Year”, *Investment Dealer’s Digest* “Telecom Deal of the Year”, and *Trade Finance Magazine* “Deal of the Year”.
- **SES Capital Belgium S.A.** in the sale of its shares of ND SatCom GmbH to Astrium Services GmbH.
- **LightSquared Inc.** in the \$850,000,000 senior secured credit facility arranged by UBS AG to finance the construction of its integrated wireless broadband and satellite 4G-LTE wholesale network.
- **Intelsat S.A.** and **Intelsat Jackson Holdings** in the \$1,000,000,000 senior notes offering to purchase its outstanding \$658,100,000 9 1/4% Senior Notes due 2014 and \$125,000,000 6 7/8% Senior Secured Debentures due 2028 for new registered notes and for general corporate purposes.
- **Intelsat S.A.** and **Intelsat (Luxembourg)** in the \$90,900,000 11 1/4% Senior Notes sold by ISAT Limited.
- **Citigroup** as sole global coordinator, and **Citigroup, DBS Bank, Deutsche Bank, HSBC** and **The Royal Bank of Scotland** as joint bookrunners in connection with the \$650,000,000 high yield bond offering by Indosat Palapa Company B.V. and guaranteed by PT Indosat Tbk.
- **Intelsat Bermuda** in the exchange of its outstanding \$2,805,000,000 11 1/4% Senior Notes due 2017 and \$2,230,971,000 11 1/2% / 12 1/2% Senior PIK Election Notes due 2017 for new registered notes.
- **O3b Networks Ltd.** in a \$10,000,000 convertible promissory note purchase agreement by LGI Ventures, SES, Google International, HSBC Investment Bank Holdings and other shareholders as interim financing.



- **ViaSat, Inc.** in the \$350,000,000 second lien loan agreement by Liberty Media Corporation, Tennenbaum Capital Partners and other lenders as backstop financing for the \$568,000,000 acquisition by ViaSat of WildBlue Communications Inc. and relating financings.
- **Intelsat, Ltd.** in the \$240,000,000 limited recourse project financing by Nedbank Limited for New Dawn Satellite Company, a joint venture of Intelsat and Convergence Partners of South Africa, to finance the New Dawn satellite project, comprised of a \$125,000,000 senior debt facility, a \$90,000,000 mezzanine debt facility and a \$25,000,000 standby debt facility.
- **Intelsat, Ltd.** in the refinancing of existing acquisition indebtedness involving an aggregate of \$10,117,571,000, comprising eight separate and coordinated offerings of senior notes and senior PIK election notes issued by Intelsat (Bermuda), Ltd., Intelsat Intermediate Holding Company, Ltd., Intelsat Subsidiary Holding Company Ltd., Intelsat Corporation and Intelsat Jackson Holdings, Ltd. and underwritten by Credit Suisse, Morgan Stanley and Banc of America Securities.
- **Morgan Stanley, UBS AG, JPMorgan Chase & Co., Scotia Capital Inc. and Jefferies & Company, Inc.** in the \$692,825,000 senior notes and \$217,175,000 senior subordinated notes offering to refinance existing indebtedness in connection with the acquisition of Telesat Canada by Loral Space & Communications and Public Sector Pension Investment Board.
- **ProtoStar Ltd.** in the \$245,000,000 financing for the ProtoStar-2 satellite, including the \$200,000,000 senior term loan by Credit Suisse and Jefferies & Company and \$45,000,000 of additional equity financing.
- **Intelsat, Ltd.** in the \$16,600,000,000 acquisition by Serafina Holdings (formed for funds advised by BC Partners, Silver Lake Partners and certain other investors), including the \$2,805,000,000 senior unsecured bridge loan credit agreement and the \$2,155,000,000 senior unsecured PIK election bridge loan credit agreement by Credit Suisse, Cayman Islands Branch, Banc of America Bridge LLC and Morgan Stanley Senior Funding, Inc. and the \$150,000,000 incremental term loan facility, together with assumption of existing debt.
- **Morgan Stanley & Co. and UBS Securities LLC** in the \$2,258,000,000 senior bank credit facility and the \$910,000,000 senior bridge facilities to finance the CAN\$3,250,000,000 acquisition by Loral Space & Communications and Public Sector Pension Investment Board of Telesat Canada.
- **Avanti Communications Group PLC** in the £4,000,000 private placement of ordinary shares of Avanti acquired by Avenue Europe Management LLP.
- **Avanti Communications Group PLC and Avanti Communications Infrastructure Limited** in the £32,000,000 senior term facility agreement to finance the manufacture and launch of the HYLAS satellite, with Dresdner Bank AG, Niederlassung Luxemburg, as facility and security agent.
- **ProtoStar Ltd. and Tennenbaum Capital Partners** in the \$25,000,000 floating rate senior secured credit facility to finance the manufacture of the ProtoStar II satellite.
- **UBS Investment Bank and Cowen and Company** as joint book-running managers in the \$80,500,000 secondary common stock offering in ORBCOMM Inc.
- **Credit Suisse Securities (USA)** as sole lead arranger and book-runner in the \$185,000,000 senior secured first priority and \$65,000,000 senior secured second priority credit facilities for CapRock Communications, Inc. and to fund the acquisition of Arrowhead Global Solutions, Inc.
- **UBS Investment Bank** in the \$155,000,000 refinancing of convertible notes, including partial redemption, of WorldSpace, Inc.
- **Intelsat (Bermuda), Ltd.** in the \$1,000,000,000 senior unsecured term loan and the \$600,000,000 floating rate senior notes to refinance existing credit facilities.
- **XM Satellite Radio** in the \$288,500,000 sale/leaseback financing of the XM-4 digital audio radio satellite, involving Satellite Leasing (702-4), LLC as equity participant and Credit Suisse as debt placement agent and arranger.
- **Intelsat (Bermuda), Ltd.** in the \$260,000,000 floating rate senior notes, \$1,330,000,000 senior notes and \$750,000,000 senior notes offering to refinance existing credit facilities.
- **Intelsat Corporation** (formerly PanAmSat Corporation) in the \$575,000,000 senior notes offering.

- UBS Investment Bank, Morgan Stanley, Banc of America Securities LLC and Cowen and Company in the \$110,000,000 initial public offering of ORBCOMM Inc.
- Tennenbaum Capital Partners in the \$180,000,000 senior and \$170,000,000 subordinated secured credit facilities to WildBlue Communications.
- Morgan Stanley Senior Funding, Inc. as senior lender in the refinancing of the \$200,000,000 senior secured term loan credit facility for DigitalGlobe, Inc.
- Intelsat, Ltd. in the \$6.4 billion acquisition of PanAmSat Corporation, structuring debt facilities, including \$2,340,000,000 senior notes offerings (comprising \$260,000,000 floating rate senior notes, \$1,330,000,000 11.25% senior notes and \$750,000,000 9.25% senior notes) and \$575,000,000 9% senior notes of PanAmSat Corporation in addition to \$3.5 billion of high yield offerings and unsecured loan borrowings for Intelsat and refinancings and related tender offer of PanAmSat debt facilities, involving Deutsche Bank Securities, Lehman Brothers, Credit Suisse Securities, Citigroup Global Markets and Merrill Lynch, resulting in the largest fixed satellite services operator globally.
- Tennenbaum Capital Partners in the \$87,400,000 assignment of senior secured credit facilities to WildBlue Communications.
- ImageSat International in the combined \$85,000,000 recapitalization and bond financing to provide for the completion, launch and insurance of the company's EROS B satellite.
- UBS Investment Bank as placement agent and sole financial adviser in the \$110,000,000 convertible preferred stock offering of shares in ORBCOMM Inc.



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**Annex 2:
Team Biographies**

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**Annex 3:
Fee Proposal**

Scope of Work

We understand that the Prospective Lenders are seeking to appoint international finance counsel to represent them in connection with the following scope of work:

Phase 1a – Due Diligence Phase

- a) Review and assessment of legal risks of all relevant project documentation, to include: the satellite manufacturing contract, launch services contract, pre capacity contract, other customer contracts, relevant customer documentation, licenses, IP Rights, etc;
- b) Consultation with the Prospective Lenders regarding aspects of any potential legal risks faced (licensing, contract, etc);
- c) Review corporate structure; and
- d) Be available for Q&A sessions for the Prospective Lenders relating to any deliverables mentioned in this Scope of Work.

Phase 1b – Term Sheet

Review and finalize existing Term Sheet.

Phase 2 – Financing Documentation

We note that the RfP provides that the exact scope of work of Phase 2 will be defined in more detail at a later stage. However, we anticipate and have based our fee proposal on the basis that our scope of work on Phase 2 would consist of preparation and negotiation of the following documentation: (i) one single borrower, single tranche, USD term loan agreement, with up to three additional subsidiary obligors; (ii) an equity contribution agreement, with all equity having been contributed in the form of cash prior to signing; (iii) an all-assets New York or English law pledge agreement for the borrower and its three subsidiaries, carving out any security pledged under other jurisdictions; and (iv) a direct agreement with each of the satellite manufacturer, the launch services provider and the key customer, and the direct agreements will be based on customary forms and will not require renegotiation of the underlying contracts. We understand that it will not be necessary for us to draft or negotiate any lender or consultant fee, mandate or monitoring agreements/letters, as these mandates will already be in place at the time that we are engaged. Additionally, we understand that negotiations for the Prospective Lenders will be led by a single bank leading up to 2 additional commercial bank lenders, that we would liaise with one lender who would coordinate among the others, and that all lenders would accept substantially similar terms; accordingly, we assume no intercreditor agreement is necessary.

Fee Proposal

Given the scope of this project and our deep familiarity with space industry project financings our fee estimate for the scope of work. The low-to-high fee range for the identified activities is largely dependent on the efforts required in structuring the financing as well as the condition of the project documents and the extent of Q&A required. We have sought to keep our fees low, and thus changes to the scope and/or assumptions would necessarily result in an adjustment of our fees.

In recognition of our keen desire to continue to forge a strong relationship with ING and to be part of this transaction, we are willing to apply a 10% discount from the rates that we normally apply. Our fees below take into account such discounted rates.

The above fee proposal is based on the following assumptions and clarifications to the scope of work:

- 1) Phase 1a (due diligence and lender Q&A) will be concluded by March 31, 2019; Phase 1b (term sheet review and drafting) will be concluded by February 18, 2019; the financing is closed/finished by April 1,

- 2019; in the event there are delays or out of scope activity, we will apply our discounted hourly rates to such activity;
- 2) the satellite manufacturing contract, launch services contract and customer contracts follow the precedent forms (and allocation of risk) for space industry project financings;
 - 3) all documentation for due diligence will be arranged and presented in an organized manner by the Company; our diligence review will consist of reviewing a satellite manufacturing contract, a launch services contract and an anchor client customer contract; we will produce a final diligence report containing, among other things (i) a corporate structure overview, (ii) brief summaries of the foregoing contracts, and (iii) a high level, fatal flaw analysis of the foregoing documents; we are also available (outside the scope of our fee estimate but at our discounted rates) to provide a summary of Ovzon's business, a summary and review of satellite insurance-related documentation, a summary of Ovzon's orbital slot rights, and certain other documentation related to the Project that may arise as relevant in the course of our review, for example if Ovzon will be providing customers with pre-launch capacity, then a review of contract(s) in which Ovzon or its affiliate is leasing capacity from a third party satellite operator;
 - 4) in the event that the transaction does not close and an update report will be necessary, we are available (outside the scope of our fee estimate but at our discounted rates) to provide a concise update report on any developments/changes that have occurred after issuance of our due diligence report;
 - 5) our fees do not include support in connection with renegotiating or advising on the renegotiation of Project related documents, although (outside the scope of our fee estimate but at our discounted rates) we are available to assist on that front as may be requested;
 - 6) we will perform a high level, fatal flaw review of the term sheet and will assist with further drafting; key commercial terms relating to the financing and security will be largely agreed at the time of our appointment and will be based on relevant precedent; negotiations of the term sheet will not be unusually protracted, with no more than two turns of the term sheet;
 - 7) principal financing will be governed by English or New York law; negotiations of the finance documents will not be protracted, with not more than two substantive turns of each document, and will follow the precedent forms (and allocation of risk) for space industry project financings; the terms and conditions of the financing will not materially deviate from those set forth in the term sheet after we have commenced drafting; there will be no major commercial, legal, technical or regulatory difficulties affecting any of the parties or the proposed Project identified during the diligence or documentation process;
 - 8) we will not be involved with the review of any documentation related to the potential syndication of all or any portion of the loans, and we will not be responsible for reviewing any hedging documentation;
 - 9) all satisfaction of conditions precedent will be arranged and presented in an organized manner by the Company's counsel on a timely basis, and such documents will conform to the requirements of the financing documents and not require any further drafting, renegotiation or revisions; we are not involved in the data room setup/maintenance or collecting KYC material; we will be actively engaged in coordination of conditions precedent-related work and the closing process over a one-month period;
 - 10) all security documents (other than an all-assets New York or English law pledge agreement) will be governed by the laws of Sweden or Cyprus and prepared by local counsel;
 - 11) all other legal counsel engaged with the Project are also operating under a fee cap arrangement;
 - 12) our legal advice will be in relation to New York or English law only and we will not be expected to provide any specialist advice on environmental, tax, ERISA, antitrust, FCPA/UKBA, export controls, insolvency or other regulatory matters (except to the extent of applicable provisions in the term sheet); and
 - 13) local law issues (including permitting, real estate, tax, collateral security and local environmental issues) and regulatory matters (such as coordination under the ITU coordination rules and landing rights) will be handled by local and/or regulatory counsel to the Company.

If any of the above does not correspond with your expectations regarding our role or scope of work, or the overall approach to be adopted, please let us know and we can discuss any relevant adjustments to our fee proposal.

Beijing

Unit 06, 15th Floor, Tower 2, China Central Place, 79 Jianguo Road, Chaoyang District, Beijing 100025, China
+8610-5969-2700

Frankfurt

Neue Mainzer Str. 74, 60311 Frankfurt am Main, Germany
+49-69-71914-3400

Hong Kong

30/F Alexandra House, 18 Charter Road, Central, Hong Kong
+852-2971-4888

London

10 Gresham Street, London EC2V 7JD, United Kingdom
+44-20-7615-3000

Los Angeles

2029 Century Park East, 33rd Floor, Los Angeles, CA 90067-3019
+1-424-386-4000

Munich

Maximilianstrasse 15, (Maximilianhoeefe), Munich 80539, Germany
+49-89-25559-3600

New York

55 Hudson Yards, New York, NY 10001-2163
+1-212-530-5000

São Paulo

Rua Colômbia, 325, Jardim América, São Paulo 01438-000, Brazil
+55-11-3927-7700

Seoul

Foreign Legal Consultant Office, Level 33, Three IFC, 10 Gukjegeumyung-ro, Youngdeungpo-gu, Seoul 07326, Korea
+822-6137-2600

Singapore

12 Marina Boulevard, Marina Bay Financial Centre, #36-03 Tower 3, Singapore 018982
+65-6428-2400

Tokyo

21F Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo 107-6221, Japan
+813-5410-2801

Washington, DC

1850 K Street, NW, Suite 1100, Washington, DC 20006
+1-202-835-7500

milbank.com