

PARTNERSHIP COOPERATION CONTRACT

BETWEEN

OHB Orbitale Hochtechnologie Bremen-System AG

Universitätsallee 27
28359 Bremen, Germany

Hereinafter referred to as "OHB"

AND

Oerlikon Space AG

Schaffhauserstrasse 580
8052 Zürich, Switzerland

Hereinafter referred to as "OSZ"

AND

Swedish Space Corporation

Box 4207
171 04 Solna, Sweden

Hereinafter referred to as "SSC"

AND

LUXSPACE Sàrl

Chateau de Betzdorf, Building B
6815 Betzdorf, Luxemburg

Hereinafter referred to as "LXS"

- Jointly referred to as "**Partners**" -

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PREAMBLE

The European Space Agency ("ESA") has on 17 March 2007 placed an order with OHB ("the SGEO Contract") for the development and construction of a Small Geostationary Satellite Platform ("SGEO") within its Programme ARTES-11 to support the initiative to commercialise SGEO based satellite missions worldwide.

OHB is the sole contractor of ESA under the SGEO Contract, including Rider 1, which is herewith attached as Annex 1.

The Artes-11 Programme calls for the co-funded development of the Generic SGEO in preparation of the provision of Satellite Missions through Industry. The Programme is conducted in two Sub-elements. Sub-element-1 comprises the development of a European cost-effective platform to address the segment of small telecommunications satellites in geostationary orbit of about 300 kg of payload mass, about 3 kW of payload power and a lifetime of up to 15 years (the "Implementation Phase"). Sub-element-2 comprises the development and launching of a small satellite allowing in-orbit validation of the platform and associated new technologies (the "Mission Phase" or "Sub-element-2").

The Partners have the specific technologies and know-how for the development and construction of the SGEO, which however enables them to jointly develop in order to achieve economically reasonable solutions for ESA purposes as described below. In this respect the Partners will cooperate for the purpose of the execution and completion of the Implementation Phase, for the subsequent Mission Phase as well as for a later proper and competitive commercialisation of SGEO based satellite missions. They do so under the assumption that their joint development will complement each other's knowledge and experience in respect of the ESA requirements on the space industries, especially during the execution and completion of the Implementation- and Mission Phase as well as of the later market requirements. Against a background of intensified international competition, the Partners will practise an ever improved, collaborative cooperation in order to maintain and strengthen their competitiveness, regain prior investments and extend their technological leadership, in the course of which they will pursue the following goals in particular:

1. Minimising development time and continually optimising the outcome of all participants by improving practical cooperation and maximising the potential for rationalisation.
2. Enhancing the quality of the product and the productivity of the work by improving economically reasonable coordination.
3. Avoiding potential conflicts among the Partners through early detection and/or by minimisation of interface problems.

Taking into consideration the extensive investment beyond the Artes-11 Programme the Partners aim for a long-term cooperation in carrying out further projects in view of the commercialization and competitiveness of the SGEO and have the common target to enter the commercial telecommunications satellite market with the SGEO as a new turnkey product ("Exploitation Phase").

ARTICLE 1

SUBJECT MATTER OF THE CONTRACT: COOPERATION BETWEEN THE PARTNERS FOR THE IMPLEMENTATION, MISSION- AND EXPLOITATION PHASE

- 1.1 The Subject of this Partnership Cooperation Contract (the "Contract") is the cooperation of the Partners as set out in this Contract for the Implementation Phase (comprising Sub-element-1 of the Artes-11 Programme) in order to execute and fulfil the SGEO-Contract as well as for the subsequent Mission Phase (Sub-element-2) and further the Exploitation Phase. For this purpose the Partners herewith form an internal consortium ("the SGEO-Consortium") among themselves.
- 1.2 Towards ESA for ARTES-11 the one and only contracting party is OHB.
- 1.3 For the execution and fulfilment of Sub-element-1 of the Artes-11 Programme, as prescribed in the SGEO-Contract OHB concludes separate subcontracts with each of the other Partners, setting out the share of each Partner in the scope of work and supply and each being attached to this Contract as Annex 2. Nevertheless the provisions for risk sharing and cooperation specifically as set out in Article 8 and 9 of this Contract shall apply and bind the Partners.

- 1.4 If prior to the signature of the Rider to the Sub-element-1 contract between ESA and OHB, ESA does not accept one or more of the proposed prices of the subcontractors (ceiling price conversion), then in such case the BoD shall define a mutually acceptable solution.
- 1.5 The SGEO Contract including its annexes (Annex 1) is flowed down to the Partners with respect to their respective scope of work and supply. OHB will involve the Partners in further negotiations about the SGEO Contract, to the extent ESA and/or OHB so desire and/or to the extent such negotiations relate to the scope of work and supply of a Partner. Notwithstanding OHB's exclusive contractual relationship towards ESA, internally each Partner bears the sole technical and commercial (system-) responsibility for its part of the SGEO Contract and the responsibility for the complete and timely delivery of the share it has assumed in the scope of work and supply of this development project as set out in the respective subcontracts (Annex 2). This also includes the obligation for technical and timely coordination with the other Partners.
- 1.6 For the Mission Phase comprising of Sub-element- 2 of the Artes-11 Programme the Partners have the common aim of becoming the satellite provider, where OHB acts as prime contractor for the satellite and the mission. OHB shall represent the Partners as coordinating partner versus the payload supplier and the customer/operator of the satellite and shall conclude the relevant contract(s) in its own name. OHB shall consult the Partners and the Partners shall communicate to OHB the commercial interest they have over and above their scope of work and supply in the Implementation Phase for the Mission Phase and OHB shall undertake reasonable efforts towards ESA and the customer to comply with these commercial interests of the Partners. Should a Partner wish to participate in the negotiations about the relevant contract(s) OHB shall give that Partner the opportunity to attend at the negotiations. Where the work share of a Partner is affected the relevant Partner shall be involved and support the negotiation process. Before signing the relevant contracts OHB shall inform the Partners about the result of the negotiations. Should a Partner refuse to approve the result of the negotiations then the BoD shall decide upon the conclusion of the relevant contract(s) by OHB and the Partners shall be bound to the decision of the BoD. Without the prior written approval of OHB none of the other Partners will conclude any kind of agreement with payload suppliers or potential operators/customers of the Artes-11 satellite. The Partners agree to conclude a final agreement on work,

risk and profit sharing after the Artes-11 mission has been selected by ESA. Such agreement will be added to this Contract as an amendment. The details of such agreement will take into account the conditions of the contract with the customer. As long as no such agreement has been reached between the Partners this Contract shall continue to apply.

- 1.7 For the Exploitation Phase the Partners have the common goal to become Turn-Key Provider of the SGEO for the global market of commercial telecom and institutional missions, both civil and defence. Unless otherwise agreed OHB shall represent the other Partners as coordinating partner and shall act as prime contractor versus payload suppliers and customers/operators of the satellites and shall conclude the relevant contract(s) in its own name. OHB shall consult the Partners and the Partners shall communicate to OHB the commercial interest they have over and above their scope of work and supply in the Implementation Phase and the Mission Phase in the respective project of the Exploitation Phase and OHB shall undertake reasonable efforts towards the customer to comply with these commercial interests of the Partners. Should a Partner wish to participate in the negotiations about the relevant contract(s) OHB shall give that Partner the opportunity to attend at the negotiations. Where the work share of a Partner is affected the relevant Partner shall be involved and support the negotiation process. Before signing the relevant contracts OHB shall inform the Partners about the result of the negotiations. Should a Partner refuse to approve the result of the negotiations then the BoD shall decide upon the conclusion of the relevant contract(s) by OHB and the Partners shall be bound to the decision of the BoD. Without the prior written approval of OHB none of the other Partners will conclude any kind of agreement for the SGEO with payload suppliers or potential operators/customers.

ARTICLE 2

SCOPE OF WORK AND SHARES OF THE PARTNERS

- 2.1 The subcontracts (Annex 2) describe each Partner's scope of work within the ARTES-11 Sub-element 1 SGEO-Contract. The scope of work of each Partner during the Mission- and Exploitation Phase shall be based on the work sharing as shown in the table below, but shall be finally decided on a case to case basis and as detailed in paragraph 6.3 and 6.4.

| WP | Function | Responsible Company | Supported by |
|-----------------|--|----------------------------|---------------------|
| System Tasks | Project Management | OHB | SSC, OSZ |
| | System Engineering | OHB | SSC, OSZ |
| | Satellite AIT | OHB | SSC, OSZ |
| | Launch | OHB | |
| | LEOP | OHB | OHB |
| | QA/PA | OHB | SSC, OSZ |
| | Logistics | OHB | |
| | Operations | LXS | OHB |
| | Marketing & Sales | | OHB, SSC, OSZ, LXS |
| | Predevelopment Activities | LXS | OHB, SSC, OSZ |
| | | | |
| Subsystem Tasks | Mission Analysis | SSC | OHB |
| | Structure | OSZ | |
| | Thermal | OSZ | |
| | Power incl. PWR Control Software | OHB | |
| | EMC | OHB | |
| | OBDH incl. OBDH Software | OHB | |
| | Overall Software Engineering, EGSE Concept | OHB | |
| | AOCS incl. AOCS Software | SSC | |
| | Electrical Propulsion | SSC | |
| | Chemical Propulsion | OHB | |
| | TT&R | LXS | |
| | Frequency Coordination | OHB | SSC |
| | Payload incl. Payload Interface Unit | OHB | SSC, LXS |
| | EGSE incl. Software, suitcase EGSE | OHB | |
| | MGSE incl. Transport Container | OSZ | |
| | Launch Support | OHB | |
| | Ground Segment, Hardware, Software, Training | OHB or ??? | OHB, OSZ |

2.2 The share of each Partner's scope of work (the "Quote") in the SGEO-Contract is calculated on the basis of the total cost (including the co-funding) of each Partner's scope of work in the SGEO-Contract, as defined in the subcontracts between OHB and the respective Partners (Annex 2) in relation to the overall cost of the SGEO-Contract (Annex 1), as set out therein. Taking into account the overall cost of the SGEO-Contract of EUR 135.366.870,00 (=EUR 141.216.870,00 minus the IMR amounting to EUR 5.850.000,00) the Quotes of the Partners are as follows:

For OHB 56,68 % (EUR 76.725.520,00)

For OSZ 11,04 % (EUR 14.945.883,00)

For SSC 28,28 % (EUR 38.277.134,00)

For LXS 04,00 % (5.418.333,00,00)

2.3 The Quotes shall be adjusted during the Implementation- and Mission Phase of Artes 11 once

- the complementary proposal for the firm fixed prices has been submitted to ESA according to the SGEO-Contract,
- the contracts with the suppliers of the Partners are finalized.

During the Exploitation Phase the Quotes shall be adjusted on a case to case basis.

As long as no adjustment has been made, the Quotes previously used shall apply. If the Partners can not agree about such adjustment then the BoD shall determine the Quotes.

2.4 In case of change orders the Quotes shall only be adjusted if and when the respective change order increases or decreases the total cost of a Partner by more than 10 %.

ARTICLE 3

PROFIT AND RISK SHARING DURING THE EXPLOITATION PHASE

3.1 Whenever there is the opportunity to enter into a contract with a customer as per Article 1.6 (the "Project"), all Partners shall make an offer performing competitive target pricing, providing its proposals including all risk and profit margins for both its own work share and the work share of its suppliers. An offer will be considered as competitive, if the quoted firm fixed price of a Partner is not exceeding by 10% a comparable firm fixed price of a competitor, whereas the potential competitor shall have to be based in one of ESA's member countries and will not belong to Fuchs Group. However, the decision regarding the competitiveness has to take into account the needs of the Partners for amortisation of their investments made for the Implementation and Mission Phase. The right to inspect the proposal of a competitor and the right of last call shall remain with all affected Partners. The right of the Partners to ask for a comparable proposal shall not oblige any Partner to provide to any other Partner manufacturing or business secrets (e.g. manufacturing processes, etc.).

If the sum of the proposals of the Partners is exceeded by the contract price, this additional profit shall be distributed amongst the Partners in accordance with the Quotes. The sales process and the related pricing will be agreed on BOD level.

3.2 OHB as Prime contractor with the customers will take over potential major risks, whereas the risks of the other Partners of the consortium will be limited to individual liquidated damages stated in its sub-contracts, in line with the liquidated damages of the Prime contract.

ARTICLE 4 ORGANISATION OF COOPERATION

4.1 Board of Directors

For the strategic controlling of the Consortium and its activities a Board of Directors (BoD) is herewith established. As decision-maker it is the Board of Directors' task to advise and control the IPT and the PD, to make strategic decisions, to decide where this Contract provides for a decision and/or determination by the BoD, to give the Consortium its organisational structure and the feasible business policy, and to be available for the IPT and the PD in case of problems. To the extent legally allowed the decisions of the BoD are mandatory for the Partners. The composition of the BoD is set out in Annex 3 to this Contract.

The BoD meets regularly every 6 months in a formal meeting at the premises of OHB or in shorter interval, where special circumstances require an earlier involvement of the BoD. The members of the BoD shall aim for unanimous decisions. Where the members of the BoD do not reach unanimity, decisions shall be made by majority of the votes, each member of the BoD having one vote. Majority of the votes shall be defined as all votes representing members of Fuchs Group plus at least one additional vote of a member outside of Fuchs group. In addition to the specific cases defined in other articles of this PCC unanimous decision of the BoD is needed:

- amendments of the Articles of this Contract
- amendments in the Subject matter of this Contract as defined under Article 1 of this Contract
- changes in the legal structure of the SGEO-Consortium
- dissolution or termination of the SGEO-Consortium

4.2 Integrated Project Team

For the duration of the cooperation the Partners will establish an Integrated Project Team (IPT) composed of engineering personnel of the Partners,.

The goal is to utilise the particular expertise of the Partners in the most efficient manner. The IPT shall facilitate the free flow of information necessary and strictly related to the project and the creation of synergies among the Partners such as the common development of system/subsystem specifications as well as the distribution of discrete tasks.

Each Partner will appoint at least one member of the IPT, which will be present at the premises of OHB during the cooperation under this Contract for working visits during normal working hours unless otherwise agreed with the PM. In case of prolonged absence of an IPT member, the relevant Partner is to appoint a substitute so that the IPT remains functional at all times.

OHB will provide the Head of the IPT, the Project Manager (the "PM"). Within three weeks from signature of this Contract the Partners shall notify the PM about their respective member/s for the IPT. The PM has the right to reject a member of the IPT appointed by a Partner or ask for replacement during the execution, but shall

not do so with undue reason. The actual members of the IPT and the PM will be listed in Annex 3 of this Contract.

The PM during the Implementation Phase as well as during the Mission- and Exploitation Phase shall oversee and direct the technical, programmatic, schedule and budget elements, and shall be supported by the IPT as well as the respective home teams of the Partners. He is the sole formal interface with the ESA Project Manager.

The PM is to inform the Partners in writing on a regular basis, but at least once a month, of all significant developments, especially with respect to cost, risks and scheduling reported to him by one or more members of the IPT.

At the end of the Artes-11 Programme the BoD shall decide whether or not to maintain the IPT.

4.3 Programme Director

Above the PM, a Programme Director (PD) is aligned, who is to be appointed by OHB. The actual PD will be named in Annex 3 of this Contract. The PD oversees and directs the SGEO programme especially with regard to:

- Acquisition and realisation of follow-up missions
- Product line development
- Technology development activities

The PD deals with high level management of customers (acquisition and contracts), agencies (programmatic issues) and suppliers (contracts). The PD shall be supported by a Marketing and Sales Team as defined in Art. 3.4.

The PD reports directly to the chairman of the Board of Directors who shall inform the other members of the BoD.

4.4 Joint Marketing and Sales Team

A Joint Marketing and Sales Team (JMST) shall be established in which each Partner shall be represented by one member.

ARTICLE 5
GENERAL PRINCIPLES

- 5.1 Each Partner will provide to the other Partners, promptly and completely, such data, documents and drawings as are necessary for the work of those Partners . Each Partner must inform the Partner(s) involved and OHB without delay about changes to data, documents and information that have been communicated. The informed Partner will, without delay, draw the disclosing Partner's attention to any obviously incorrect data, documents and information.
- 5.2 In the case of interface problems between individual Partners, the Partners concerned commit themselves to find a solution in coordination with OHB.
- 5.3 The Partners will do their utmost to support each other and protect each other's interests to the extent legally allowed as if they were their own. Each Partner will inform the other Partners without delay about all events which could affect fulfilment of its share in the scope of its work and supply or another Partner's share in the scope of work and supply.
- 5.4 In other respects, the relationship among the Partners is that of companies that are independent of each other. This Contract will not be the basis for any kind of merger, joint venture or of whatever corporate structure such as but not restricted to "Offene Handelsgesellschaft" (OHG) according to §§ 105 et seqq. of the German Commercial Code (HGB), which goes beyond the scope of this Contract. This Contract will give none of the Partners the right to represent another Partner, except in the cases provided for in this Contract.

ARTICLE 6
GENERAL AGREEMENT FOR EXPLOITATION PHASE

- 6.1 The Partners shall concurrently develop the appropriate and feasible legal frame for the commercialisation of the SGEO satellites taking into account the experience gained during the execution of the Implementation- and Mission Phase comprising of Sub-element 1 and 2 of the Artes-11 Programme.
- 6.2 Commercial Telecommunications Missions

6.2.1 The Partners recognize that significant investment will be necessary for global sales and marketing activities for the Exploitation-Phase and are prepared to bear the respective costs in form of either investments or contribution of resources. The further procedure shall be decided by unanimous decision of the BoD.

6.2.2 The Partners further recognize that significant investment might be necessary for the early procurement of long lead items. The further procedure shall be decided by unanimous decision of the BoD.

6.3 Institutional Missions

6.3.1 ESA Missions

ESA missions will be handled in the form of cooperation like Artes-11. The Partners aim at establishing themselves as mission/satellite leading consortium. Work shares, Quotes and responsibilities in potential contracts will be adjusted if necessary by reasons related to georeturn rules of the specific programme requiring the decision of the BoD on a case by case basic.

6.3.2 National Civil Missions

Depending on the requests of the customer the coordinating partner may be the Partner of the country of the customer. In addition there may be the requirement by the customer to involve additional domestic industry. In such case work shares and quotes will be reallocated requiring the decision of the BoD on a case by case basis.

6.3.3 National Defence Missions

Depending on the customer request the coordinating partner may be the Partner of the customer country. Additional constraints may arise from national security interests. Work shares and quotes will be reallocated requiring the decision of the BoD on a case by case basis. Information flow between the Partners will be governed by the national defence constraints.

6.4 Other Missions and Contracts

Missions using the Artes-11 Platform other than the above will be governed by the same form of cooperation, adapted to the special conditions of the contract on a case by case basis. Contracts for SGEO Satellites where the Partners only deliver the SGEO Platform will be handled similar to the form of cooperation of the Artes-11 Programme. For export programmes local content and offset issues will possibly need to be considered. They shall not be implemented to the disadvantage of a specific Partner. The shares and quotes will be adjusted on a case by case basis by a decision of the BoD accordingly.

ARTICLE 7

TAXES AND EXPORT RESTRICTIONS

- 7.1 Each Partner shall bear all taxes, duties, levies, fees and social charges (collectively hereinafter referred to as "charges"), if any, with respect to its scope of work and supply and/or payments received from ESA or another customer and there shall be no obligation of any Partner to file for tax returns in relation to the scope of work and supply of another Partner or payment received by another Partner.
- 7.2 In case of charges attributable to more than one Partner's scope of work and supply and/or payments received from ESA or another customer, the entire charges shall be borne by each Partner in proportion to the extent its respective scope of work and supply has given rise to such charges being levied.
- 7.3 In case of charges which cannot be attributed solely to a Partner's scope of work and supply and/or payments received from ESA or another customer, the respective charges shall be borne by all Partners according their Quotes.
- 7.4 Each Partner remains responsible to observe ITAR and national export restrictions.

ARTICLE 8

INDUSTRIAL MANAGEMENT RESERVE (IMR) FOR ARTES-11 SUB-ELEMENT 1

- 8.1 The SGEO-Contract (comprising of Sub-element 1 of Artes-11) includes an Industrial Management Reserve (IMR) amounting to 5.850.000,00 € to cover the SGEO implementation risks with respect to Class B Contract Change Notices

emanating from Class A changes from the suppliers or subcontractors. In the context of the IMR, SSC, OSZ and LXS are not considered subcontractors.

- 8.2.1 Class B Contract Change Notices relating to implementation risks on the level of the Partners' respective suppliers or subcontractors only shall be transmitted by OHB to ESA. Each Partner is generally allowed to receive in total an amount of the IMR funds being proportional to its respective quote of the total supplier or subcontractor costs (including the co-funding) of the SGEO contract. Any additional increase of supplier or subcontractor costs will not result in further Class B Contract Change Notices and will have to be covered by the respective Partner itself, unless the BoD decides by unanimous decision to share the additional costs.

The Quotes of the total costs of the suppliers or subcontractors are as follows:

For OHB 52,97 % (EUR 43.923.796,00)

For OSZ 06,85 % (EUR 5.678.000,00)

For SSC 37,29 % (EUR 30.924.066,00)

For LXS 02,89 % (5.418.333,00,00)

The Quotes of the total costs of the suppliers or subcontractors shall be adjusted during the Implementation Phase of Artes 11 once the contracts with the suppliers of the Partners are finalized.

- 8.3 Any residual IMR funds at the end of the Implementation-Phase (comprising of Sub-element-1 of Artes-11) will remain with the respective Partner.

ARTICLE 9 LIABILITY AND WARRANTY

9.1 Delay

Each Partner will inform the others immediately about, and undertake appropriate measures to remedy, threatened or actual delays in its share in the scope of work and supply which might form the basis for a claim by ESA, any other customer or any other party for penalties or compensation for delay.

If ESA, any other customer or a third party asserts claims for penalties for delay or compensation for delay, then the Partner responsible for the main cause of the delay shall bear the respective penalties up to the total amount of liquidated damages stated in its subcontractor contract. The remaining amount of the claim will be covered by OHB.

9.2 Warranty

Defects or deficiencies will be remedied without delay by the Partner in whose share in the scope of work and supply they occur. Costs arising from defects or deficiencies in a Partner's own share in the scope of work and supply will be borne by that Partner itself. If several Partners are responsible for the warranty, the costs will be shared according to their respective contribution to the cause of the warranty.

All costs which other Partners incur in identifying and remedying the defect or deficiency (including cost of ESA or any other customer whose restitution cannot be averted), especially cost for changes, necessitated by remedying the defect or deficiency, to the scope of work and supply of the other Partners are to be shared in accordance with Art. 9.1.

9.3 Other Non-compliance

If specified data agreed in the SGEO Contract or in contracts with any other customers or otherwise are not met, the Partner or Partners responsible for such non-compliance are to undertake remedial action.

Any claim arising of such non-compliance shall be shared in accordance with Art. 9.1.

9.4 Other claims

All other claims made by ESA, any other customer or third parties are to be shared in accordance with Art. 9.1.

9.5 Settlement and interim solution

If, and to the extent that, the Partners are unable to agree to a sole or proportionate liability in accordance with the provisions above, the Partners, until the liability of one or more Partners is finally determined, will make first a

preliminary contribution corresponding to their respective Quotes to meet a claim asserted by ESA, any other customer or a third party for the cases in paragraph 9.1-9.4. The final compensation between the Partners will take place afterwards.

- 9.6 If ESA, any other customer or another contractual partner obtains a binding determination of a claim against OHB from a court, an arbitration court, the Contract Appeal Board (CAB) as described in Art. 7 of the SGEO Contract or a public authority, then the actual and legal reasons for this determination will be binding internally on the other Partners. This will not apply in cases where the internally affected Partner was not given sufficient opportunity to contribute to the relevant proceedings or if the determination is so inequitable that it cannot in good faith be binding between the Partners.
- 9.7 No Partner has the right, without the prior written consent of the other affected Partners, to acknowledge claims by ESA, any other customer or by third parties which are to be borne by the Partners or one of the other Partners. If one Partner acknowledges a claim in contravention of this provision, it will bear the burden of proving that the recognised claim is justified and will be solely liable insofar as the justification of the claim is unproved. The Partners commit themselves to disclosing to each other, completely and promptly, documents and information required to clarify justification of the claim.
- 9.8 Where a Partner is liable to one or more of the other Partners according to the provisions of this Article 9, such liability shall not comprise indirect or consequential damages.
- 9.9 Limitation of liability in contracts with customers

When negotiating contracts with customers, OHB will use reasonable efforts to introduce appropriate limitation of liability clauses.

ARTICLE 10

INDUSTRIAL PROPERTY RIGHTS, COPYRIGHTS, RIGHTS OF USE, INVENTIONS

- 10.1 The Partners will contribute their know-how to the joint fulfilment of this Contract and in accordance with the SGEO Contract. In no case will this constitute the

transfer, or the implicit transfer, of a proprietary right, right of use or any other right from the contributing Partner to another Partner. However, use of the Partners' know-how is permitted, on a reciprocal basis, exclusively in the context of the existing purpose of this Contract and the SGEO Contract. Any use above and beyond this requires the consent of the Partner which contributed the know-how. If fulfilment of this Contract or the SGEO Contract yields joint know-how, it may only be made available to third parties after the Partners under this Contract have reached an agreement on its exploitation.

- 10.2 The Partners are to ensure that new technical solutions, processes etc. are subjected to internal or joint examination of their possibility to protect them via patent or registered design. In such cases special care is required to ensure that third parties gain no knowledge about the matter through publications, conversations etc., since that would endanger the possibility to protect them.
- 10.3 The Partners grant to each other and within the scope of the SGEO Contract ESA, in accordance with the "need-to-know" principle and only for the purpose of carrying out this Contract, the non-exclusive, gratuitous, unlimited and non-transferable right to use any industrial property rights arising from cooperation under this Contract. Further transfer of rights and/or information to third parties, especially subcontractors, is strictly prohibited and requires the explicit consent of the owner of the rights.
- 10.4 The Partners and within the scope of the SGEO Contract ESA will be entitled commonly and, unless otherwise agreed, according to the respective part of the joint work, to use and exploit industrial property rights arising from the joint work of two or more Partners. Exploitation of the right of use, registration in other countries and all other questions, especially relating to the laws on employee invention, are to be regulated in a separate agreement among the affected contractual Partners.
- 10.5 If one or several Partners finishes/finish its/their cooperation before the end of the term of this Contract in accordance with Article 11.4 of this Contract, the other contractual Partners retain, for the purpose of carrying out this Contract, a right of use for all rights existing or arising under the provisions above, as set out in those provisions.
- 10.6 The above rules apply likewise to inventions.

- 10.7 If the Partners decide to register any trademark in relation to the SGEO, the Partners shall be equally the owners of the registered trademark and the licensing thereto shall be approved by the Partners.

ARTICLE 11

COMING INTO FORCE, TERMINATION, ENTRY AND EXPULSION OF A PARTNER

11.1 Coming into force

This Contract comes into force upon signature by all Partners. It replaces the Basic Consortium Agreement for Small Geostationary Satellites of 18 May 2006 as well as the SGEO Consortium Agreement (Principles of Cooperation) of 11 January 2007 (including the side-letter to the Consortium Agreement of 12 January 2007) and its extension dated 28 March 2007.

11.2 Termination

Except for the obligations in Annex 4 (Confidentiality Agreement), this Contract will end:

- if ESA cancels the SGEO Contract and after all internal aspects have been settled;
- if the Partners unanimously agree to do so for any other reason.

11.3 Entry of a new Partner

The entry of a new Partner has to be approved by the BoD by majority decision. Nevertheless, the BoD shall accept the decision by the delegates of the participating Artes-11 member states on new participating countries. The entering Partner has to accept the terms of this Contract with its Annexes and the amendments made thereto. The Quotes will be adjusted accordingly.

11.4 Expulsion or Withdrawal of a Partner

- 11.4.1 If a Partner ceases to make payments or if an application is made for the opening of insolvency or comparable proceedings in respect of its assets,

then it can be expelled from the consortium by a decision by the other Partners.

- 11.4.2 The same applies in the event of a serious failure by a Partner to fulfil its obligations and to remedy such failure within a reasonable time after a written demand to this effect from another Partner and in the event of a change of control of one Partner which leads to interest conflicts of the respective Partner with respect to the execution and fulfilment of this Contract, especially if the parent company is a competitor of any of the other Partners.

A serious failure in terms of Article 11.4.2 comprises the rejection of a Partner to contribute towards the conclusion and/or performance of a contract with ESA or any other customer or any other third party with regard to the Mission-and Exploitation-Phase.

The expulsion of a Partner requires an unanimous decision by the other Partners.

- 11.4.3 A Partner may leave the SGEO-Consortium for any reason upon prior written notice.

The withdrawal or expulsion of a Partner in accordance with Articles 11.4.1, 11.4.2 and 11.4.3 does not release the other Partners from their obligations under this Contract. The other Partners will continue the consortium. The Quotes will be adjusted accordingly. The work of the Partner which has left the consortium will be carried out and completed by the other Partners. If necessary the other Partners will seek a new Partner that can substitute the scope of work and supply of the Partner which has left the consortium. After withdrawal or expulsion the respective Partner shall have no right to get any reimbursement from the remaining Partners of his investment or compensation of losses of future profits.

The remaining Partners may demand the following from the Partner who has left the consortium:

- the fulfilment of contractual obligations to which it has already committed itself within the scope of this Contract including subcontracts from another Partner;
- support for the remaining Partners in their fulfilment of obligations they have assumed, especially through assigning of claims, transferring royalty-free rights

of use and making documents and facilities available for the purpose of fulfilling the SGEO contractual obligations,

- the transfer and assignment of all existing agreements related to the SGEO, especially but not only long terms agreements with its subcontractors and suppliers. Respective provisions shall be incorporated into the contracts of the Partners with the suppliers.

Statutory provisions on exceptional termination for important reasons remain unaffected to the extent not agreed otherwise in the aforementioned provisions.

The obligations set out in Article 14 (Exclusivity) shall survive the withdrawal or expulsion and bind the Partner who leaves the Consortium for a period of two year.

ARTICLE 12 DISPUTE RESOLUTION

12.1 Applicable law

This Contract is subject to the laws of the Federal Republic of Germany.

12.2 Arbitration

All disputes which arise out of or in connection with this Contract or its validity, and which cannot be resolved in accordance with the procedures provided for in this Contract, will be decided finally and binding by three arbitrators, one to be appointed by each party in dispute and the third, who shall be chairman, by the two arbitrators so appointed in accordance with the Rules of Arbitration of the International Chamber of Commerce (ICC-rules) without recourse to the ordinary jurisdiction of a court or tribunal. Where there are multiple parties, whether as Claimant or as Respondent, the multiple Claimants, jointly, and the multiple Respondents, jointly, shall nominate an arbitrator. The arbitration panel may also rule on the validity of this arbitration agreement. Third party action is possible in arbitration proceedings. The regulations in §§ 64 et seqq. of the German Code of Civil Procedure (ZPO) concerning third party notice apply.

12.3 The place of arbitration is Hamburg. The language is English.

ARTICLE 13 MISCELLANEOUS

13.1 Insurance

Each Partner will obtain its own insurance for transport, assembly and third party liability, sufficient to cover its share of work and supply, while waiving reciprocal recourse. The limitation on the third party liability shall be agreed. In addition and if required by the customer, OHB will maintain a suitable construction risk insurance that covers all subsystems under OHB custody, for example during the final AIV phase. The cost of the construction risk insurance will be covered by OHB. In general and unless otherwise agreed, OHB will be responsible for the insurance of items or subsystems in custody of OHB.

13.2 Financing, cost

Each Partner is solely responsible for financing its share in the scope of work and supply and for all cost related thereto.

Unless otherwise agreed, each Partner is individually responsible for cost that arise in pursuing the cooperation provided for in this Contract, including cost related to acquisition and preparing tenders.

13.3 Confidentiality

The confidentiality agreement attached in Annex 4 governs the confidential handling of data, documents and other information.

All publications concerning the provision of work and supply by another Partner require the agreement of the Partner concerned.

13.4 Assignment

The assignment of claims or other rights arising from this Contract is only permitted with the prior written approval of the other Partners. This does not apply to the assignment of pecuniary claims for financing purposes.

13.5 Amendments

Amendments and additions to, and the termination of, this Contract must be in writing to become effective. This requirement of form can only be waived in writing.

13.6 Severability clause

Should one or more provisions of this Contract be, or become, inadmissible or inoperative, the effectiveness of the other provisions will not be affected. In place of the inadmissible or inoperative provision, the Partners will agree on a legally admissible and effective provision which comes closest in economic terms to the inoperative provision in achieving the results intended by the Partners. The same applies to filling any gaps in the Contract, especially if the Parties have not taken sufficient account of the provisions in the SGEO Contract and a gap has thereby arisen in the intended "flow-down" situation. In this case, the Partners will proceed as if they had agreed this in concluding the Contract and a corresponding provision for achieving the intended "flow-down" situation.

13.7 Notices

All notices to Partners or the Consortium to be made in accordance with this Contract will be conveyed to the addresses in Annex 5, unless a Partner gives an alternative address.

ARTICLE 14 EXCLUSIVITY

The cooperation among the Partners during the Implementation Phase, as well as during the Mission- and Exploitation Phase is exclusive, i.e. during the term of this Contract including the Mission- and Exploitation Phase no Partner will offer the SGEO satellite or parts thereof developed for the Artes-11 Programme, on their own or with or via third parties, in competition to the SGEO-Consortium and/or the SGEO product.

Signatures:

(Place and date)

(Place and date)

For OHB Orbitale Hochtechnologie Bremen-
System AG,

For Swedish Space Corporation,

Prof. Manfred Fuchs
CEO

Lars Persson
President & CEO

(Place and date)

(Place and date)

For Oerlikon Space AG,

For LUXSPACE Sàrl,

Dr. Axel Deich
Senior Vice President

Jochen Harms
General Manager

ANNEX 1
SGEO-CONTRACT

ANNEX 2
SUBCONTRACTS BETWEEN OHB AND OSZ, SSC AND LXS

**ANNEX 3
COMPOSITION OF IPT AND BOD**

I. The IPT consists of:

Sten Berge (SSC)

[.....]

[.....]

[.....]

Head of the IPT is:

Dr. Andreas Winkler (OHB)

II. The PD is:

Dr. Thomas Goerlach (OHB)

III. The BoD consists of

Prof. Manfred Fuchs (OHB)

Lars Persson (SSC)

Dr. Axel Deich (OSZ)

Jochen Harms (LXS)

ANNEX 4
CONFIDENTIALITY AGREEMENT

BETWEEN

OHB Orbitale Hochtechnologie Bremen-System AG
Universitätsallee 27
28359 Bremen, Germany

Hereinafter referred to as "OHB"

AND

Oerlikon Space AG
Schaffhauserstrasse 580
8052 Zürich, Switzerland

Hereinafter referred to as "OSZ"

AND

Swedish Space Corporation
P.O. Box 4207
Solna strandväg 86
17104 Solna, Sweden

Hereinafter referred to as "SSC"

AND

LUXSPACE Sàrl
Chateau de Betzdorf, Building B
6815 Betzdorf, Luxemburg

Hereinafter referred to as "LXS"

Hereinafter individually or jointly referred to as "Parties" or "Partners".

This Confidentiality Agreement concerns the protection of know-how in respect of the entire cooperation of the Partners under the Partnership Cooperation Contract, the SGEO Contract and the related subcontracts.

The Parties cooperate for the development and construction of a Small Geostationary Satellite Platform ("SGEO") within the Artes-11 programme of ESA, as well as for the later commercialisation of SGEO based satellite missions, as further prescribed in the Partnership Cooperation Contract. For this purpose, the Parties provide each other with information about their respective technical and commercial skills and activities.

In the course of their cooperation the Partners will exchange certain technical and commercial data, knowledge and documents which constitute the Partners' secret industrial know-how and thus require protection from unauthorised use and publication. In order to ensure such protection, the Parties agree to the following:

1. In this Agreement, „Information“ includes all knowledge and all information, data and documents, regardless of their contents, which one Party (the "Disclosing Party") makes available, or has made available, directly or indirectly, to another Party (the "Receiving Party") under this Agreement in oral, written or material form, including drawings, models, details, calculations and other material.
2. The Receiving Party undertakes to treat information received from the Disclosing Party confidentially, as the Disclosing Party's secret industrial know-how, and to protect it with the same care as it does its own industrial secrets.

Information received from the Disclosing Party may only be made available to staff of the Receiving Party in accordance with the „need to know“ principle and after ensuring that corresponding obligations apply to the staff members.

Information that is received must not be made available to third parties without prior written authorisation from the Disclosing Party. Where such authorisation is provided and to be approved, the third party must be made subject to the obligations in this Agreement.

3. The Receiving Party undertakes to use information from the Disclosing Party exclusively for the purpose set out in the Partnership Cooperation Contract. Other kinds of use require a special prior agreement with the Disclosing Party.
4. The obligations in sections 2 and 3 do not apply to such information as:
 - is already common public knowledge at the time it is received;

- was already known to the Receiving Party at the time it was received, or is developed separately by the Receiving Party after that point in time, independently of the Disclosing Party, or is provided without restriction to the Receiving Party by a third party;
- becomes publicly known by means other than by breach of this Agreement,
- the Disclosing Party expressly agrees to publicise,
- the Receiving Party receives after it has advised the Disclosing Party that it does not wish to receive any more information.

The burden of proof for the applicability of the above exceptions lies with the Party that claims them.

5. Each Party remains the owner of the information it discloses and reserves all rights in respect of it, including in the case of patent issue and design registration. At the end of this Agreement, the Receiving Party is obliged, on receipt of a written notice from the Disclosing Party, to return or destroy, at the Disclosing Party's discretion, the information it has received from the Disclosing Party.
6. This Agreement enters into force upon signature by the Parties and can be terminated by one Party giving 30 days' notice to the other party via registered mail. The Agreement will expire at the same time as the Contract, if it has not previously been terminated or extended by mutual agreement.

Sections 2 and 3 will apply for 6 years after the end of the Agreement.

7. This Agreement is subject to the laws of the Federal Republic of Germany.. All disputes which arise out of or in connection with this Contract or its validity, and which cannot be resolved in accordance with the procedures provided for in this Contract, will be decided finally and binding by three arbitrators, one to be appointed by each party in dispute and the third, who shall be chairman, by the two arbitrators so appointed in accordance with the Rules of Arbitration of the International Chamber of Commerce (ICC-rules) without recourse to the ordinary jurisdiction of a court or tribunal. The arbitration panel may also rule on the validity of this arbitration agreement. Third party action is possible in arbitration proceedings. The place of arbitration is Hamburg. The language is English.

8. Amendments or additions to this Agreement are to be identified as such and must be in written form to have effect.

Signatures:

(Place and date)

(Place and date)

For OHB Orbitale Hochtechnologie Bremen-
System AG,

For Swedish Space Corporation,

Prof. Manfred Fuchs
President & CEO

Lars Persson
President & CEO

For Oerlikon Space AG,

For LuxSpace Sàrl,

Dr. Axel Deich
Senior Vice President

Jochen Harms
General Manager

ANNEX 5
LIST OF NOTIFICATION ADDRESSES

OHB System AG
Universitätsallee 27-29
28359 Bremen
Germany
Attn: Dirk Schulze
Ph: +49 421 2020-766
Fax: +49 421 2020-700
Email: dschulze@ohb-system.de

Oerlikon Space AG
Schaffhauserstrasse 580
CH-8052 Zürich
Switzerland
Attn: Dr. Remigius Fent
Ph: +41 44 306 2013
Fax: + 41 44 306 2210
Email: Remigius.Fent@oerlikon.com

Swedish Space Corporation
PO Box 4207
SE-171 04 Solna
SWEDEN
Attn: Per Johansson
Ph: +46 8 627 62 00, direct +46 8 627 62 98
Fax: +46 8 98 70 69
Email: per..johansson@ssc.se

LUXSPACE Sàrl
Chateau de Betzdorf, Building B
6815 Betzdorf
Luxemburg
Attn: [...]
Ph: [...]
Email: [...]