

## PUBLIC SERVICES AGREEMENT

THIS PUBLIC SERVICES AGREEMENT (the "PSA") is hereby entered into as of July 18, 2001 by and between THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION ("ITSO"), established by the Agreement Relating to the International Telecommunications Satellite Organization on August 20, 1971, as amended, and the following entities, which are hereinafter collectively referred to as "Intelsat": Intelsat, Ltd., a company incorporated under the laws of Bermuda; Intelsat LLC, a limited liability company incorporated under the laws of the State of Delaware, U.S.A.; and Intelsat Services Corporation, a corporation incorporated under the laws of the State of Delaware, U.S.A.

### WITNESSETH:

WHEREAS, the 24<sup>th</sup> Assembly of Parties decided that ITSO should be restructured as a private entity, with a supervisory intergovernmental organization to protect lifeline connectivities and users;

WHEREAS, ITSO and Intelsat, pursuant to the decision of the 25<sup>th</sup> Assembly of Parties, shall enter into this PSA to ensure that Intelsat provides, on a commercial basis, international public telecommunications services, in order to (i) maintain global connectivity and coverage; (ii) serve its lifeline connectivity customers; and (iii) provide non-discriminatory access to the Intelsat system, such obligations hereinafter collectively referred to as the "Public Service Obligations";

WHEREAS, in performing such Public Service Obligations, Intelsat shall be subject to applicable national law; and

WHEREAS, ITSO and Intelsat acknowledge that the Public Service Obligations must be maintained and that the agreement of Intelsat in assuming the Public Service Obligations was a prerequisite to the agreement of ITSO in sanctioning the restructuring and the transfer of assets, and that the performance of the Public Service Obligations is the consideration for the transfer.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein, and subject to and on the terms and conditions herein set forth, the parties hereto agree as follows:

### ARTICLE 1 DEFINITIONS

1.01. Unless otherwise specifically provided, defined terms shall have the respective meanings assigned to them in Annex A.

1.02. The words "hereof", "herein", and "hereunder" and words of similar import, when used in this PSA, shall refer to this PSA as a whole and not to any particular provision of this PSA.

ARTICLE 2  
HONORING THE PUBLIC SERVICE OBLIGATIONS

2.01. Intelsat shall provide international public telecommunication services on a commercial basis, in a manner consistent with the following Public Service Obligations, which shall be deemed to have been met if Intelsat:

- (i) maintains global connectivity and coverage and serves its lifeline connectivity customers by providing the capability for any country or territory to connect with any other country or territory through the provision of capacity from at least one satellite in each of the three ocean regions: the Atlantic Ocean region (304.5 to 359 deg. E), the Indian Ocean region (60 to 66 deg. E), and the Pacific Ocean region (174 to 180 deg. E) such that these satellites together provide global coverage to all ITU regions;
- (ii) honors its obligations under the LCO Contracts; and
- (iii) provides non-discriminatory access to the Intelsat system.

Subject only to Article 7 herein, the provision of international public telecommunications services on a commercial basis, in a manner consistent with the Public Service Obligations, is not met if any country or territory which seeks or permits the services provided by the Intelsat system is denied full and complete access to all services provided by the Intelsat system on any ground other than a commercial basis.

2.02. For purposes of this PSA, the following terms shall have the meanings ascribed to them below:

- (i) On a commercial basis: means in accordance with usual and customary commercial practice in the telecommunications industry.
- (ii) Global connectivity: means the interconnection capabilities available to Intelsat users through the global coverage Intelsat provides in order to make communication possible within and between the five ITU regions defined by the Plenipotentiary Conference of the International Telecommunication Union, held in Montreux in 1965.
- (iii) Global coverage: means the maximum geographic coverage of the earth towards the northernmost and southernmost parallels visible from satellites deployed in geostationary orbital locations.
- (iv) Non-discriminatory access: means fair and equal opportunity to access the Intelsat system.

2.03. In performing its Public Service Obligations, Intelsat shall be subject to applicable national law. In the event Intelsat reasonably believes the application of national law, or

proposed changes to national law, will prevent Intelsat from complying with the Public Service Obligations, Intelsat shall, on a commercial basis, use its best efforts to mitigate the adverse consequences of such law to the extent permitted under law.

ARTICLE 3  
SUPERVISORY ROLE OF ITSO

3.01. ITSO is entitled to review and assess the performance by Intelsat of the Public Service Obligations.

3.02. In its supervisory role, ITSO:

- (i) ensures that Intelsat honors the Public Service Obligations defined in Article II; for such purpose, ITSO receives reports, and if necessary, makes recommendations or takes any other appropriate action in connection with Intelsat's performance of the Public Service Obligations;
- (ii) reviews the decisions taken by Intelsat with respect to petitions for eligibility for entering into the LCO Contract and reports to the Parties on the outcome of such reviews; and
- (iii) assists LCO Customers with disputes as described in 4.01 and 4.02.

3.03. For the purpose of enabling ITSO to review and take appropriate steps in connection with Intelsat's compliance with its Public Service Obligations, Intelsat shall provide ITSO with the following:

- (i) annual, or more frequent as necessary, reports containing sufficient information to demonstrate that Intelsat is meeting its global connectivity and coverage, non-discriminatory access and LCO Obligations;
- (ii) copies of publicly available information contained in documents submitted to regulatory authorities and public financial statements immediately following their release;
- (iii) advice on any events or decisions, which could, in the judgment of Intelsat, materially impair its ability to meet the Public Service Obligations, which advice will be provided in a sufficiently timely manner to enable ITSO to take appropriate action including, if necessary, the convening of an extraordinary meeting of the Assembly of Parties;
- (iv) in the event Intelsat is notified of a complaint lodged with ITSO on a failure of Intelsat to meet its Public Service Obligations, information that enables ITSO to carry out its dispute resolution responsibilities, which information will be provided to the Director General, provided, however, such information (a) only relates to the facts of the particular complaint under consideration, and (b) is

provided only to the extent provision of such information is not prohibited under any law or regulation applicable to Intelsat; and

- (v) in the event Intelsat is unable to comply, or believes there may be a significant likelihood of its inability to comply, with the Public Service Obligations due to any Party's regulatory constraints, this shall be reported to ITSO as soon as possible for ITSO to take appropriate action.

3.04. Notwithstanding anything to the contrary contained herein, should any dispute of a non-commercial nature arise between Intelsat and a customer, pending the final resolution of said dispute, Intelsat shall use its best efforts to continue to provide services to said customer.

#### ARTICLE 4 ROLE OF ITSO IN LCO DISPUTES

4.01. At the request of an LCO Customer, ITSO may assist in the resolution of disputes related to an LCO Contract by:

- (i) advising the LCO Customer as to possible methods of resolving such dispute; and
- (ii) advising an LCO Customer on the desirability of seeking arbitration under the LCO Contract and advising an LCO Customer on preliminary matters preparatory to arbitration, including such matters as the selection of experts and arbitrators, provided, however, that ITSO shall in no event file or in any way make arbitration claims on behalf of any LCO Customer or act as an arbitrator in any dispute.

4.02. ITSO may also assist by conciliating disputes between Intelsat and an LCO Customer. Intelsat shall cooperate with ITSO in the performance of ITSO's role by ensuring that its officers and employees are available to meet at such times and places as are mutually convenient to them and the representatives of ITSO and the LCO Customer.

#### ARTICLE 5 CONFIDENTIALITY

Each party shall keep strictly confidential, and will cause its officers, employees, representatives of Parties, and any of its advisors, consultants, contractors, counsel, accountants or other authorized representatives ("Representatives") to keep strictly confidential, all information and documents obtained from the other party or such other party's officers, employees or Representatives pursuant to this PSA. Each party and its respective Representatives need not keep strictly confidential any such information or documents that (i) were already known to it, (ii) becomes available to it from other sources not known by it to be bound by a confidentiality obligation, (iii) are independently acquired by it as a result of work carried out by any employee or Representative of it to whom no disclosure of such information has been made, (iv) are disclosed with the prior written approval of the other party, or (v) are or become readily ascertainable from published information or trade sources.

ARTICLE 6  
GOVERNING LAW AND DISPUTE RESOLUTION

6.01. This PSA shall be governed by, and construed in accordance with, the laws of the District of Columbia.

6.02. The parties to this PSA shall attempt in good faith to resolve any dispute between them relating to or arising out of this PSA by negotiation. If ITSO determines that Intelsat has breached any of its obligations under this PSA, and is unable to resolve the matter to its satisfaction with Intelsat through informal means, ITSO may notify Intelsat, in writing, that it wishes to meet with management representatives or the board of directors of Intelsat to discuss the alleged default. Intelsat shall agree to such meetings, at the mutual convenience of the parties, within a reasonable time from the date of the request, not to exceed 30 days for a meeting with management representatives, and by the next regularly scheduled meeting of the board of directors for a meeting with the directors.

6.03. Any dispute, controversy or claim between the parties to this PSA arising out of or relating to this PSA that is not resolved through negotiation as provided for in 6.02 shall be settled by arbitration in the city where ITSO's headquarters is located. Either party may commence arbitration by filing notice of arbitration. The arbitration shall be conducted in accordance with the rules of the court of arbitration of the International Chamber of Commerce (ICC). The arbitration shall be the sole and exclusive forum for resolution of such dispute, controversy or claim, and the award rendered shall be final and binding on the parties. Judgment upon the award rendered may be entered in any court having jurisdiction thereof or having jurisdiction over the parties or their assets.

6.04. The parties agree that there shall ordinarily be only one arbitrator, to be selected by mutual agreement within 30 days of delivery of notice pursuant to 6.03. Failing such agreement, the arbitrator shall be selected by the ICC. Prior to the commencement of an arbitration, the parties may agree that there should be three arbitrators. In the event the parties agree that there will be three arbitrators, one shall be appointed by the party asserting a claim against the other party, one shall be appointed by the party against whom a claim has been asserted, and the third shall be selected by mutual agreement within 30 days of the selection of the second arbitrator. If the parties fail to agree on the third arbitrator within such 30-day period, then the third arbitrator shall be selected by the ICC. In the event the party against whom a claim has been asserted fails to appoint the second arbitrator within 20 days after the first arbitrator is appointed by the party asserting a claim, then the ICC shall select the second and third arbitrators.

6.05. Any award of the arbitrator(s) (i) shall be in writing, (ii) shall state the reasons upon which such award is based, and (iii) may include an award of costs, including reasonable attorneys' fees and disbursements.

6.06.1. Subject to 6.06.2, the arbitrator(s) may award any remedy authorized by law.

6.06.2. In cases involving enforcement of the Public Service Obligations, the arbitrator(s) shall make an award appropriate to the enforcement of the Public Service Obligations without undue impairment of Intelsat's commercial flexibility and taking into account customary commercial practice in the telecommunications industry. The arbitrator(s) may:

- (i) declare a party in default and order that party to take such action, in such party's reasonable discretion, to remedy such default;
- (ii) retain jurisdiction, notwithstanding the final and binding character of that award under 6.03, to ensure that such action satisfies the Public Service Obligations; and
- (iii) as deemed necessary, issue subsequent orders under 6.06.1.

6.06.3. The arbitrator(s) may award damages to the extent the financial interests of the parties have been injured.

6.06.4. The arbitrator(s) may award specific performance of the obligations of 3.03 and 4.02.

6.07. Either party to this PSA may make an application to the arbitrators seeking provisional measures to preserve its rights until such time as the arbitration award is rendered or the dispute, controversy or claim is otherwise resolved. Either party may apply to any court having jurisdiction hereof and seek provisional measures to preserve its rights until such time as the arbitration award is rendered or the dispute, controversy or claim is otherwise resolved.

6.08. Nothing in this PSA shall preclude either party from bringing any proceedings in any court having jurisdiction to enforce any arbitral award made in relation to any arbitration under this PSA .

#### ARTICLE 7 FORCE MAJEURE

No delay or failure by either party in performing any of its obligations referred to in this PSA shall constitute a breach of this PSA nor give rise to any claim or action against it to the extent that such delay or failure is caused by a force majeure. If either party is unable to carry out any of such obligations by reason of a force majeure, it shall promptly advise the other party thereof in writing.

#### ARTICLE 8 NOTICES

All notices or other communications hereunder shall be deemed to have been duly given and made if served by personal delivery upon the party for whom it is intended, or if delivered to the address set forth below or such other address as may be designated in writing hereafter, by registered or certified mail, return receipt requested, or by a national or international courier service.

To ITSO:

3400 International Drive, N.W.  
Washington, D.C. 20008  
Telephone: 202-944-6800  
Telecopier: 202-944-7898  
Attention: Director General

To Intelsat:

Dundonald House  
14 Dundonald Street West  
Hamilton HM 09, Bermuda  
Telephone: 441-294-1650  
Telecopier: 441-292-8300  
Attention: Chief Executive Officer

With a copy to:

Intelsat Services Corporation  
3400 International Drive, N.W.  
Washington, D.C. 20008  
Telephone: 202-944-6800  
Telecopier: 202-944-7898  
Attention: General Counsel

ARTICLE 9  
AMENDMENT

Any provision of this PSA may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by the parties hereto, or in the case of a waiver, by the party against whom the waiver is to be effective.

ARTICLE 10  
ITSO'S WAIVER OF IMMUNITIES

For purposes of this PSA only, ITSO expressly waives its privileges and immunities and agrees to be bound by the provisions of this PSA.

ARTICLE 11  
ASSIGNMENT

No party to this PSA may assign any of its rights or obligations under this PSA without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld. Any attempted assignment in contravention hereof shall be null and void.

ARTICLE 12  
ENTIRE AGREEMENT

This PSA contains the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, between the parties with respect to such matter.

ARTICLE 13  
SUCCESSORS AND ASSIGNS

This PSA shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and permitted assigns of Intelsat. Nothing in this PSA, express or implied, is intended to confer upon any Person other than the parties hereto, their successors or Intelsat's permitted assigns, any rights or remedies under or by reason of this PSA.

ARTICLE 14  
FUNDING

14.01. In the event ITSO continues beyond twelve years, Intelsat, Ltd. shall annually fund ITSO in an amount to be negotiated, in good faith, by the Director General of ITSO and the Chief Executive Officer of Intelsat, based upon the principles and financial expenditures of ITSO during the initial twelve year period. The annual funding of ITSO by Intelsat after the twelfth year shall not exceed US\$1.8 million (Year 2013 dollars). In the event ITSO continues beyond twelve years, and ITSO's contingency fund at this time is below the initial US\$500,000 level, Intelsat shall contribute an additional amount to bring the fund to its original level of US\$500,000, plus the amount necessary to adjust this fund to its 2013 inflation adjusted value.

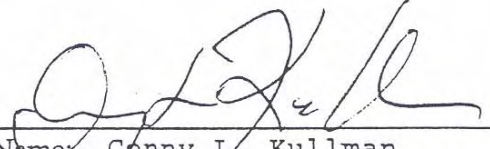
14.02. ITSO shall be funded during the initial twelve years by funds obtained prior to the execution of this PSA.

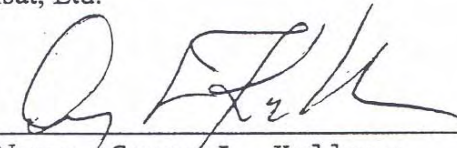
ARTICLE 15  
DURATION

This PSA shall be in force from the date hereof until the date determined by ITSO for the termination of the Agreement Relating to the International Telecommunications Satellite Organization.

IN WITNESS WHEREOF, the parties have executed or caused to be executed this Agreement as of the date first written above.

The International  
Telecommunications Satellite  
Organization

By   
Name: Conny L. Kullman  
Title: Director General and Chief Executive Officer

Intelsat, Ltd.  
By   
Name: Conny L. Kullman  
Title: President and Chief Executive Officer

Intelsat LLC

By \_\_\_\_\_  
Name:  
Title:

Intelsat Services Corporation

By \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties have executed or caused to be executed this Agreement as of the date first written above.

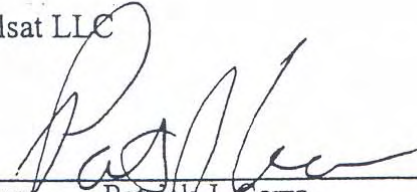
The International  
Telecommunications Satellite  
Organization  
"ITSO"

By \_\_\_\_\_  
Name:  
Title:

Intelsat, Ltd.

By \_\_\_\_\_  
Name:  
Title:

Intelsat LLC

By  \_\_\_\_\_  
Name: Patrick J. Cerra  
Title: Vice President

Intelsat Services Corporation

By \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties have executed or caused to be executed this Agreement as of the date first written above.

The International  
Telecommunications Satellite  
Organization  
"ITSO"

By \_\_\_\_\_  
Name:  
Title:

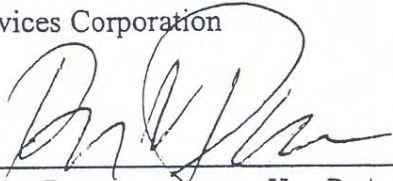
Intelsat, Ltd.

By \_\_\_\_\_  
Name:  
Title:

Intelsat LLC

By \_\_\_\_\_  
Name:  
Title:

Intelsat Services Corporation

By  \_\_\_\_\_  
Name: Ramanarayan V. Potarazu  
Title: President and Chief Operating Officer

## Annex A

### Definitions

Assembly of Parties shall mean the Assembly of Parties of ITSO, established pursuant to the Agreement Relating to the International Telecommunications Satellite Organization signed August 20, 1971, as amended.

Director General shall mean the Director General of ITSO.

Force majeure shall mean any act, event, condition or other cause of a compelling nature, which is not reasonably within the control of the performing party.

LCO Contract shall mean the terms and conditions for the provision of LCO services, as set forth in Annex B hereto.

LCO Customer shall mean a party which has entered into an LCO Contract with Intelsat.

LCO Obligation shall mean the obligation to protect lifeline connectivities and users, as provided in the LCO Contract.

Party means a state party to the Agreement Relating to the International Telecommunications Satellite Organization signed August 20, 1971, as amended.

Person shall mean an individual, a corporation, a partnership, an association, a trust or other entity or organization or a government or any agency or political subdivision thereof.

Public Service Obligations shall mean the obligations described in Article 2.

Annex B  
LCO Contract