

“APPROVED”
INTERSPUTNIK
DIRECTOR GENERAL

VADIM BELOV

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**APPENDIX TO THE PROGRAM FOR THE DEVELOPMENT OF BUSINESS
IN THE FIELD OF SPACE COMMUNICATIONS IN THE MEMBER COUNTRIES
OF THE ORGANIZATION**

**PRINCIPAL TERMS AND CONDITIONS OF THE LEGALLY BINDING
DOCUMENTS TO BE SIGNED WITH THE WINNING BIDDER:**

- (1) In the event that financing is provided as a loan granted by the Organization:
- Full loan repayment period: up to five years;* as a rule, the loan can start to be repaid by installments not later than two years after it has been granted;* the procedure of repaying the loan by installments – the payment schedule – is to be agreed by the Directorate with the recipient of the financing and set forth, as a rule, that the payments are to be made in equal parts monthly or quarterly;
 - Obligations of the recipient of the financing to repay the loan are to be ensured using means approved by the Directorate* and the Organization may demand a new collateral (additional collateral) if the initial collateral is lost or if its conditions become worse;
 - Representations by the recipient of the financing concerning circumstances which are of the essence for the entry into, execution or termination of the contract (no encumbrances, injunctions, judicial claims, claims by third parties and/or other circumstances at the Directorate’s discretion); the right of the Directorate to waive the contract in the event that the representations are untrue;
 - If requested by the Directorate: the loan contract may specify financial indicators (or other circumstances or conditions), which need to be attained (occur or be met), otherwise the recipient of the financing would face unfavorable consequences (obligation to return the loan ahead of schedule in full or in part, realization of the surety measures by the Directorate and/or other consequences at the Directorate’s discretion as specified in the contract);*
 - Responsibility of the recipient of the financing for any breach of the conditions of financing and other legal consequences for noncompliance with the terms of the contract:
 - Penalty for late repayment of the loan or part thereof at a rate of 0.1% of the

* This condition is specified in the *Program for the Development of Business in the Field of Space Communications in the Member Countries of the Organization (Program)* and cannot be modified by the Directorate

- amount of the overdue payment per each day in arrears;
 - Other responsibility at the Directorate's discretion specified in the contract and/or applicable law;
 - Early repayment of the loan in full within ten days of the receipt of demand that it be done.
 - Assignment of debt: the right (demand) vested in the Organization by virtue of the loan contract may be assigned to a different party under an agreement without the consent of the recipient of the financing;
 - Applicable law: law of the Russian Federation;
 - Settlement of disputes: Arbitration Court of the City of Moscow or the International Commercial Arbitration Court at the Chamber of Commerce and Industry of the Russian Federation as chosen by the Directorate;
 - All costs associated with the proper execution of the legally binding documents are borne by the recipient of the financing.
- (2) In the event that financing is provided by means of the Organization's holding of a share (shares) in the authorized capital of the company:
- acquisition of a share (shares) on the condition of either Organization's blocking shareholding and/or holding of a share (shares) sufficient for decision-making concerning the company's profit distribution;*
 - Obligations of the company to pay damages and penalties arising out of its default under the contract using methods approved by the Directorate;
 - Representations by the company concerning circumstances which are of the essence for the entry into, execution or termination of the contract (no encumbrances, injunctions, judicial claims, claims by third parties, including claims with regard to the share (shares), and/or other circumstances at the Directorate's discretion); the right of the Directorate to waive the contract in the event that the representations are untrue;
 - If requested by the Directorate: the share (shares) purchase agreement may specify financial indicators (or other circumstances or conditions), which need to be attained (occur or be met), otherwise the recipient of the financing would face unfavorable consequences (mandatory share (shares) repurchase at a predetermined price and/or other consequences at the Directorate's discretion as specified in the contract);*
 - Responsibility of the recipient of the financing for any breach of the conditions of financing or other legal consequences for noncompliance with the terms of the contract:
 - Penalty for breach of contract at a rate of 10% of the amount of the financing granted;
 - Other responsibility at the Directorate's discretion specified in the contract and/or applicable law;
 - mandatory share (shares) repurchase at a predetermined price within ten days of the receipt of the demand that it be done;
 - The Organization's right to alienate acquired share (shares) in favour of any third party without the prior written consent of the company and/or other stake- or shareholders;
 - Applicable law: law of the Russian Federation; if the law of the Russian Federation

cannot be applied – law of a different state depending on the company's state of incorporation;

- Settlement of disputes: Arbitration Court of the City of Moscow or the International Commercial Arbitration Court at the Chamber of Commerce and Industry of the Russian Federation, if a dispute cannot be settled by either court – a different competent state court or arbitral tribunal depending on the company's country of incorporation;
- All costs associated with the proper execution of the legally binding documents are borne by the recipient of the financing.

- (3) Whichever option of the provision of the financing is implemented, the Directorate will monitor if the recipient of the financing fulfils the terms and conditions of the provision of the financing, among other measures, by signing a Directorate monitoring agreement (more about monitoring of the use of the financing in section IV of the *Program*).