

This Term Sheet is made this 29th day of June 2017, between:

PARTIES

Hughes Network Systems, LLC, a limited liability company established under the laws of the state of Delaware, U.S.A. with its principal place of business located at 11717 Exploration Lane, Germantown, Maryland, USA 20876 ("**HUGHES**"); and

Empresa Argentina de Soluciones Satelitales Sociedad Anónima - ARSAT, a company organized and existing under the laws of Argentina and having a registered office at Avenida Gral, J.D. Perón 7934, B1621BGZ, Benavidez, Province of Buenos Aires, Argentina ("**ARSAT**").

HUGHES and ARSAT may be referred to herein individually as a "Party" or collectively as the "Parties."

BACKGROUND

1. ARSAT is engaged in the commercial business of satellite operations and service provision, digital terrestrial television distribution, fiber optic network services and a Tier III data center.
2. HUGHES is engaged in the commercial business of providing satellite broadband networks, and services for home, office, enterprises and governments globally.
3. ARSAT and HUGHES have held initial discussions and are interested in pursuing a potential joint venture (the "Project") to procure and launch one or more geostationary communications satellites that will have a multi-spot beam payload designed to provide broadband services in Argentina.
4. The first satellite is currently referred as "ARSAT-3", but this name may be modified by the Parties. HUGHES and ARSAT have been working together on the geographic coverage and main characteristics for the payload, which is described in more detail in Annex A.
5. ARSAT-3 will be manufactured by INVAP, an Argentine satellite manufacturer, and will be based on the same spacecraft bus as the ARSAT-1 and ARSAT-2 satellites. It is expected that the communications payload for ARSAT-3 will be subcontracted to Thales Alenia Space (TAS).
6. ARSAT-3 will be placed at and operated from an Argentine geostationary orbital slot that is currently under coordination with the International Telecommunications Union (ITU) in Ka-band.
7. Additionally, as part of the Project, ARSAT and HUGHES may pursue related business opportunities and objectives that are of mutual interest, including the provision of Ku-band satellite capacity by ARSAT and/or Ka-band satellite capacity by HUGHES in Argentina in advance of the commercial availability of ARSAT-3, and obtaining market access approval from the Argentine regulators for such capacity.

Therefore, the Parties have set out their current objectives in respect of the Project in this Term Sheet, as follows:

1. THE PROJECT

- 1.1. The primary objective of this Term Sheet is to set forth the current respective understandings of ARSAT and HUGHES and certain terms related to the potential creation of a business arrangement between ARSAT and HUGHES and to provide a framework for discussions in

respect of the Project in a manner mutually beneficial to the Parties, which may result in the Parties entering into a Final Agreement (defined below). The current understandings of the Parties in respect of the Project, which are expected to be incorporated into a Final Agreement to be negotiated by the Parties, are as follows:

- 1.1.1. The Parties have a mutual interest in creating a new company ("Newco") in Argentina to provide satellite broadband services in Argentina from a geostationary communications satellite, currently known as "ARSAT-3", to be procured and owned by Newco. The ARSAT-3 satellite, to be procured from and manufactured by INVAP, will have a multi-spot beam Ka-band payload ("Payload"). Newco would also procure and be the owner of all ground-based network equipment including radiofrequency terminals ("RFT") (collectively, the "Gateways"), required to provide satellite broadband services to resellers and/or consumer and small and medium sized enterprise ("SME") users. The Gateways will be procured from HUGHES. The Gateways' technical and operational specifications will be finalized during the process set forth in Section 1.3.
- 1.1.2. Newco would be owned by ARSAT and HUGHES, with ARSAT holding not more than 49% of the total equity, and HUGHES holding not less than 51% of the total equity. The Parties would also consider one or more third party owners. The ownership interest(s) of the third parties would be mutually agreed and approved by the Parties.
- 1.1.3. Based on current estimates, the capital expenditure required for the procurement and launch of ARSAT-3 into geostationary orbit is currently estimated by ARSAT to be US\$ 230 million and the capital expenditure that would be required for the Gateways for the Project is currently estimated by HUGHES to be US\$ 50 million. Final cost data will be made available by each Party as set forth in Section 1.3, once the satellite and Gateway design are finalized as part of the process set forth in Section 1.3.
- 1.1.4. A general description of ARSAT-3, including the current satellite and Payload design and frequency plan, is attached hereto as Annex A. After signing this Term Sheet, the Parties may revise Annex A, which may include without limitation, adjusting the satellite and Payload design, Payload specifications, coverage, frequency plan and orbital slot to be used, as part of discussions concerning the Project and the review process referenced in Section 1.3.
- 1.1.5. ARSAT will lead the process to obtain for Newco a geostationary orbital slot for ARSAT-3 and all legal, regulatory and governmental authorizations required to provide satellite broadband services in Argentina. The orbital slots under consideration for the deployment of ARSAT-3 would be an Argentine geostationary orbital slot at 81° W.L., 91.5° W.L. or 72° W.L. The orbital slot location may change as a result of discussions concerning the Project. The Parties would agree on the orbital slot to place ARSAT-3 prior to execution of the Final Agreement. ARSAT will lead the process to obtain for Newco all legal, regulatory and governmental authorizations necessary to launch, operate and locate the ARSAT-3 at the selected orbital location and provide satellite broadband services.
- 1.1.6. ARSAT will lead the process for confirming frequency coordination in relation to the frequencies and orbital slots set out in this document. HUGHES will provide ARSAT with support for coordination of Ka-band frequencies in the Northern hemisphere, if required.
- 1.1.7. ARSAT would procure Ka-band capacity from Newco for up to 25% of total capacity available from ARSAT-3 on mutually agreed terms. ARSAT is also willing to



develop a base of potential customers for Ka-band broadband services that will be transferred to ARSAT-3 once the satellite is operational and prior to its launch.

- 1.1.8. Upon the execution of a Final Agreement, HUGHES would provide reasonable cooperation and assistance to ARSAT and Newco to support the bringing into use of the frequency assignments designated by the ITU satellite network filing identified as ARSAT-D as set forth in Special Section N° CR/C/3365 filed on March 27, 2013 (API) by Argentina and published in IFIC BR 2748/09.07.2013, as modified (the "ARSAT-D ITU Filing") at the 81° West longitude orbital slot by September 12, 2019.
- 1.1.9. Satellite operations will be provided to Newco by ARSAT. ARSAT-3 will be operated from the ARSAT control center by ARSAT personnel. Payload management procedures will be defined solely by Newco. Satellite commanding and TT&C will be done solely from the ARSAT control center. Terms and conditions, including pricing and payment, for such services would be mutually agreed by the Parties consistent with the Related Party Transactions ("RPT") policy to be adopted by the Newco Board.
- 1.1.10. Gateway and broadband service operations and service delivery support systems would be provided to Newco by HUGHES. Fiber optics or data center services required in Argentina by Newco would be provided by ARSAT. Terms and conditions, including pricing and payment, for such services would be mutually agreed by the Parties consistent with the RPT policy.
- 1.1.11. The Parties will have further discussions regarding additional capacity for the Project, including consideration of a high-throughput satellite within the first 12 months of Newco and thereafter on at least a semi-annual or annual basis as agreed by the Newco board. Further, ARSAT and HUGHES will agree to explore the possibility of jointly investing in satellites beyond ARSAT-3 that may operate in a variety of different frequency bands and from any of ARSAT's orbital slots, where it is mutually beneficial to the Parties.
- 1.1.12. Newco would have a board of directors ("Board"). The specific number of directors would be determined by the Parties. The Party with the majority ownership interest would have the right to appoint a majority of the directors. Board approval would be required for significant or material activities, the scope of which will be defined in the Final Agreement. The Parties would agree on appropriate mechanisms for resolving deadlocks.
- 1.1.13. Newco executive management would be appointed by the Newco Board.
- 1.1.14. Newco would continue as long as it is commercially viable. Parties would agree on provisions relating to lock-in periods, anti-dilution rights, walk-away rights, termination of Newco, etc.
- 1.1.15. HUGHES would be the exclusive supplier of Gateways, VSATs and all other ground network equipment and broadband satellite technology to Newco, and Newco would use exclusively broadband satellite equipment and technology supplied by HUGHES for the provision of satellite broadband services from ARSAT-3 in Argentina and any other satellites Newco uses to provide satellite broadband services in Argentina. ARSAT would be the exclusive supplier of fiber optics and/or data center services to Newco.

- 1.1.16. Any distributions and dividends from Newco would be made in proportion to the Parties' respective ownership interests pursuant to the dividend policy adopted by the Newco Board.
- 1.1.17. ARSAT will look for ways and will use reasonable efforts to work with local authorities and entities in Argentina to promote regulations and policies, oriented towards leveraging and safeguarding the Parties' investments in the Project, Newco and ARSAT-3 and prioritizing the use of ARSAT-3 for the provision of broadband services in order to optimize Argentina's orbital slots.
- 1.2. As soon as practicable after signing this Term Sheet, ARSAT will provide to HUGHES all relevant information regarding ITU frequency coordination of the orbital slots set out in this Term Sheet and the applicable regulatory authorizations for the frequency bands, coverage and service areas of the satellites to be used for the Project.
- 1.3. Upon signing this Term Sheet, HUGHES and ARSAT agree to participate in timely negotiations and cooperate, act reasonably and work in good faith with diligence towards a goal of executing the Final Agreement for the Project on or before August 31, 2017 (or such later date as the Party may agree in writing). During such period, the Parties would cooperate and work in good faith to do the following: i) develop a 15-year business plan for Newco and determine the capital requirements for the initial funding and operations of Newco, the amount of cash to be contributed to Newco and the amount of debt to be incurred by Newco; ii) review the satellite and gateway design and architecture and determine the respective costs of the satellite and Gateways, which would be used for developing the business plan; and iii) conduct additional due diligence as mutually agreed. As part of the satellite and Gateway review, each Party would provide the other a breakdown of costs for the procurement and launch of the satellite and the procurement, installation and commissioning of the Gateways, on a per item level. The business plan to be developed by the Parties would serve as the basis for determining Newco's capital requirements and the capital contributions required for Newco. The Parties would make capital contributions to Newco in proportion to their respective ownership interests in accordance with the business plan, after accounting for any debt financing of Newco. The Parties would address in the Final Agreement the funding of Newco and the proportion of cash and any debt financing used to meet Newco's capital requirements for the Project.
- 1.4. The terms of this document are not exhaustive and are intended to document some, but not all, of the terms that have been discussed by the Parties. The terms and conditions for Newco and the planned partnership to develop the Project will be as set forth in a definitive agreement ("Final Agreement") to be negotiated, mutually agreed and duly executed by the Parties.

2. COSTS, WARRANTIES AND RELATIONSHIP

- 2.1. Each party shall be responsible for its own costs in connection with the Project and shall not be entitled to claim for any reimbursement by the other. If both Parties agree to use consultants or other third party advisers to advise on the Project or for any other services directly related to this Term Sheet (such as performing a market study), such costs and expenses shall be apportioned equally among the Parties or as otherwise agreed between the Parties.
- 2.2. No warranty is given by either party that information or assistance supplied by it to the other party in connection with the Project will be complete and accurate or fit for any particular purpose, or that such information will not infringe any third party rights and all express or implied warranties that may be validly excluded by law shall be hereby excluded.

- 2.3. Nothing in this document shall be construed as a grant by one party to the other of any form of license to use any of the information it discloses hereunder or to deal in any way with any of the intellectual property rights of the other party.
- 2.4. Nothing herein contained shall be construed as authorizing either Party to act as an agent or representative of the other or to make any commitment or create any obligations for the other without such Party's prior written consent.
- 2.5. The relationship between the Parties shall be solely that of independent entities, and nothing in this Term Sheet shall be deemed to constitute, create or give effect to, or otherwise be recognized as the creation of a business entity of any kind and the rights and obligations of the Parties shall be limited to those expressly set forth herein.

3. CONFIDENTIALITY

- 3.1. The matters contemplated in this Term Sheet and any confidential information provided by one Party to the other are to be treated in the strictest confidence and should not be disclosed to third parties whatsoever, without the prior written consent of the other party hereto, except where disclosure is necessary in order for a Party to perform under this Term Sheet or is authorized by the provider in writing, and the recipient shall ensure such persons enter into a confidentiality undertaking in similar terms hereto or to the extent required by an applicable legal or regulatory requirement, a court order, or other governmental requirement. Each Party shall keep secret and confidential all and every part of any confidential information, including this Term Sheet and the contents thereof. The Parties further undertake to keep in a safe and secure place all confidential information received in connection with this Term Sheet.
- 3.2. In the event that the Project is not completed or is discontinued, each party undertakes that it will not disclose or make use of, for its own benefit, any of the information of a confidential nature relating to the other party and its business, which has been disclosed hereunder. The provisions of this clause 3 do not apply to any information, which is publicly available at the time of disclosure unless disclosed through breach of this undertaking.
- 3.3. ARSAT may disclose the matters contemplated by this document to INVAP S.E., CEATSA the Argentine Government Ministry of Communications and the Chief of Cabinet of Ministers, provided that, in relation to such matters, each such entity agrees to be bound by confidentiality obligations no less restrictive than those in this document. ARSAT shall be liable for any breach of confidentiality by any of these entities that it discloses confidential information to. A specific NDA will be also signed with Thales Alenia Space (TAS) as a possible payload provider for ARSAT-3, and with any potential third party investor in Newco; such NDA will include both HUGHES and ARSAT.
- 3.4. To the extent that any confidential information is no longer required to enable performance of this Term Sheet, the recipient shall return the confidential information together with all copies, notes and transcriptions thereof to the provider forthwith upon demand but in any event shall return the confidential information and all copies, notes and transcriptions of the same upon the termination of this Term Sheet.
- 3.5. The Parties agree that no public release or announcement concerning this Term Sheet or planned joint business opportunities identified under the terms of this Term Sheet shall be made without the advance written consent of each Party.
- 3.6. This Section 3 shall survive the termination of this Term Sheet for a period of three (3) years.

4. GOVERNING LAW AND ARBITRATION

- 4.1. The construction, validity and performance of this Agreement shall be governed in all respects by the laws of New York.
- 4.2. All disputes between the Parties in connection with or arising out of the existence, validity, construction, performance or termination of this Agreement (or any terms thereof) shall be settled through arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce (ICC), administered by one arbitrator appointed under the said Rules. The arbitration proceeding shall be conducted in the English language and held in New York, New York, USA, sitting in the borough of Manhattan. The award shall be in writing and shall set forth in reasonable detail the facts of the Dispute and the reasons for the tribunal's decision. The arbitration award shall be final and binding between the Parties, their successors and assigns which shall comply in good faith with such decision, and judgment thereon may be entered in any court having jurisdiction for its enforcement.

5. GENERAL

- 5.1. This Agreement is written in English and Spanish language. In case of conflict between the versions, the English version shall prevail.
- 5.2. This Term Sheet shall become effective upon the date hereof, and shall remain valid until December 31, 2017. Should either Party determine (at its sole discretion) that the continuation of this Term Sheet is no longer appropriate as the respective technical or commercial objectives of the Parties will not be achieved, such Party will notify the other of its concerns and the rationale for requesting termination. If such concerns cannot be resolved in a mutually satisfactory manner within seven (7) days of notification, either Party may terminate this Term Sheet upon thirty (30) days advance written notice to the other Party, and neither Party shall have any liability to the other.
- 5.3. This Term Sheet constitutes the whole agreement between the Parties relating to its subject matter.
- 5.4. This Term Sheet is an expression of interest between the Parties and the Parties acknowledge that they must complete negotiations on the points set forth herein as well as on points beyond the scope of this Term Sheet, which negotiations may also cause the terms set forth in this Term Sheet to be further negotiated and changed. Accordingly, the terms and conditions for the development of the Project will be as set forth in the Final Agreement, which has been approved by all necessary or appropriate corporate actions and governmental bodies, as determined by each Party, in its sole and absolute discretion. In the event that the Parties are unable to conclude a Final Agreement, for any reason or no reason whatsoever, neither Party shall have any liability to the other.
- 5.5. Neither Party, nor any of its affiliates, nor its or their respective officers, directors, employees or professional advisors shall be liable for any direct, indirect, consequential, punitive or similar loss or damage resulting from or arising out of this Term Sheet, including (but not limited to) loss of profit, loss of business opportunity or business interruptions, howsoever caused.
- 5.6. Each Party warrants that it has not made or offered and that it will not make or offer with respect to the matters which are subject of this Term Sheet, any payment, gift, whether directly or through intermediaries, to or for the use of any public official (i.e. any person holding a legislative, administrative or judicial office, including any person exercising a

public function for a public agency, a public enterprise or a public international organisation), where such payment, gift, promise or advantage would violate any applicable laws. Each Party shall defend, indemnify and hold the other Party harmless from and against all claims, damages, losses, penalties, costs and/or expenses arising from or related to any breach by such Party of this warranty.

- 5.7. Neither Party shall assign or transfer any of its rights or obligations under this Term Sheet without the prior written consent of the other Party.
- 5.8. No variations or alterations to this Term Sheet shall be effective unless made in writing and duly signed by the authorized signatories of each Party.
- 5.9. This Term Sheet may be executed in one or more counterparts and by one or more Parties to any counterpart, each of which shall be deemed an original and all of which together shall constitute one and the same Term Sheet.
- 5.10. Notices under this Term Sheet shall be in writing and shall be deemed validly given if delivered by facsimile (supported by positive transmission report), post (recorded delivery, with proof of posting) or email (with read receipt) (if an email address is listed below) to the under mentioned individual and shall be deemed to be delivered upon the date of dispatch.

Notices to be given to ARSAT shall be addressed to:

	Empresa Argentina de Soluciones Satelitales Sociedad Anónima (ARSAT)
	Avenida Gral. J.D. Perón 7934
	B1621BGY,
	Benavídez, Province of Buenos Aires, Argentina
For the attention of:	Fernando Montes
Telephone No.:	+ 54 115811 2600
Email:	fmontes@arsat.com.ar

Notices to be given to HUGHES shall be addressed to:

	Hughes Network Systems, LLC
	11717 Exploration Lane
	Germantown, Maryland 20876 USA
For the attention of:	General Counsel
Telephone No.:	+1 (301) 428-5500
Fax. No.:	+1 (301) 428-2818
Email:	legalnotices-Hughes@hughes.com

- 5.11. It is expressly agreed that this Term Sheet and all activities contemplated by this Term Sheet will be subject to and conducted in compliance with all applicable export controls and economic sanctions laws and regulations imposed or administered by (i) the United States and (ii) Argentina (collectively, "Trade Controls"). Thus, each of the Parties warrants that it shall not, directly or indirectly, use, sell, provide, export, re-export, transfer, divert, loan, lease, consign, or otherwise dispose of any products, software, source code, technology (including products derived from or based on such software, source code or technology), or services received from the other Party to any person, entity, end-user or destination prohibited by such Trade Controls without obtaining any required government authorization. The Parties acknowledge and agree that HUGHES may be required to obtain government approvals or

exceptions under applicable Trade Controls in order to participate in portions of the process set forth in Section 1.3 and HUGHES' participation will be expressly contingent upon and subject to obtaining and maintaining any and all such government approvals or exceptions. The obligations stated herein shall survive the expiration, cancellation or termination of this Term Sheet or any other related agreement/contract.

Each party hereby confirms its agreement to the terms contained in this Term Sheet.

Date: June 29, 2017

[Handwritten signature]

duly authorized for and on behalf of

HUGHES

Date: [Redacted]

[Redacted signature]

duly authorized for and on behalf of

ARSAT

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