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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2017.

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission File Number: 001-33807

EchoStar Corporation
(Exact Name of Registrant as Specified in Its Charter)

Nevada	**26-1232727**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
100 Inverness Terrace East, Englewood, Colorado	**80112-5308**
(Address of Principal Executive Offices)	(Zip Code)

(303) 706-4000
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒		Accelerated filer o
Non-accelerated filer o	(Do not check is a smaller reporting company)	Smaller reporting company o
		Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No ☒

As of August 1, 2017, the registrant's outstanding common stock consisted of 47,961,543 shares of Class A common stock and 47,687,039 shares of Class B common stock, each $0.001 par value.

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DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q ("Form 10-Q") contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including but not limited to statements about our estimates, expectations, plans, objectives, strategies, and financial condition, expected impact of regulatory developments and legal proceedings, opportunities in our industries and businesses and other trends and projections for the next fiscal quarter and beyond. All statements, other than statements of historical facts, may be forward-looking statements. Forward-looking statements may also be identified by words such as "anticipate," "intend," "plan," "goal," "seek," "believe," "estimate," "expect," "predict," "continue," "future," "will," "would," "could," "can," "may" and similar terms. These forward-looking statements are based on information available to us as of the date of this Form 10-Q and represent management's current views and assumptions. Forward-looking statements are not guarantees of future performance, events or results and involve potential known and unknown risks, uncertainties and other factors, many of which may be beyond our control and may pose a risk to our operating and financial condition. Accordingly, actual performance, events or results could differ materially from those expressed or implied in the forward-looking statements due to a number of factors including, but not limited to:

- our reliance on DISH Network Corporation and its subsidiaries ("DISH Network") for a significant portion of our revenue;
- our ability to implement our strategic initiatives;
- significant risks related to the construction, launch and operation of our satellites, such as the risk of material malfunction on one or more of our satellites, risks resulting from delays or failures of launches of our satellites and potentially missing our regulatory milestones, changes in the space weather environment that could interfere with the operation of our satellites, and our general lack of commercial insurance coverage on our satellites;
- the failure of third-party providers of components, manufacturing, installation services and customer support services to appropriately deliver the contracted goods or services;
- our ability to bring advanced technologies to market to keep pace with our customers and competitors; and
- risk related to our foreign operations and other uncertainties associated with doing business internationally, including changes in foreign exchange rates between foreign currencies and the United States dollar, economic instability and political disturbances.

Other factors that could cause or contribute to such differences include, but are not limited to, those discussed under the caption "Risk Factors" in Part II, Item 1A of this Form 10-Q and in Part I, Item 1A of our most recent Annual Report on Form 10-K ("Form 10-K") filed with the Securities and Exchange Commission ("SEC"), those discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" herein and in our Form 10-K, and those discussed in other documents we file with the SEC.

All cautionary statements made herein should be read as being applicable to all forward-looking statements wherever they appear. Investors should consider the risks and uncertainties described herein and should not place undue reliance on any forward-looking statements. We do not undertake, and specifically disclaim, any obligation to publicly release the results of any revisions that may be made to any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Although we believe that the expectations reflected in any forward-looking statements are reasonable, we cannot guarantee future results, events, levels of activity, performance or achievements. We do not assume responsibility for the accuracy and completeness of any forward-looking statements. We assume no responsibility for updating forward-looking information contained or incorporated by reference herein or in any documents we file with the SEC, except as required by law.

Should one or more of the risks or uncertainties described herein or in any documents we file with the SEC occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

PART I — FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

ECHOSTAR CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)
(Unaudited)

	As of	
	June 30, 2017	December 31, 2016
Assets		
Current Assets:		
Cash and cash equivalents	$ 2,985,062	$ 2,570,365
Marketable investment securities, at fair value	280,402	522,516
Trade accounts receivable, net of allowance for doubtful accounts of $12,541 and $12,956, respectively	192,246	182,527
Trade accounts receivable - DISH Network, net of allowance for doubtful accounts of zero	56,825	19,417
Inventory	91,265	62,620
Prepaids and deposits	52,857	43,456
Other current assets	12,035	10,862
Current assets of discontinued operations	37,814	311,524
Total current assets	3,708,506	3,723,287
Noncurrent Assets:		
Restricted cash and marketable investment securities	13,847	12,926
Property and equipment, net of accumulated depreciation of $2,661,897 and $2,598,492, respectively	3,451,362	3,398,195
Regulatory authorizations, net	544,310	544,633
Goodwill	504,173	504,173
Other intangible assets, net	66,316	80,734
Investments in unconsolidated entities	174,067	171,016
Other receivable - DISH Network	91,579	90,586
Other noncurrent assets, net	189,511	166,385
Noncurrent assets of discontinued operations	—	316,924
Total noncurrent assets	5,035,165	5,285,572
Total assets	$ 8,743,671	$ 9,008,859
Liabilities and Stockholders' Equity		
Current Liabilities:		
Trade accounts payable	$ 118,563	$ 170,297
Trade accounts payable - DISH Network	961	1,072
Current portion of long-term debt and capital lease obligations	39,229	32,984
Deferred revenue and prepayments	54,722	59,989
Accrued interest	46,280	46,487
Accrued compensation	37,978	53,454
Accrued expenses and other	106,366	95,726
Current liabilities of discontinued operations	3,071	71,429
Total current liabilities	407,170	531,438
Noncurrent Liabilities:		
Long-term debt and capital lease obligations, net of unamortized debt issuance costs	3,611,746	3,622,463
Deferred tax liabilities, net	736,100	746,667
Other noncurrent liabilities	131,931	90,785
Noncurrent liabilities of discontinued operations	—	10,701
Total noncurrent liabilities	4,479,777	4,470,616
Total liabilities	4,886,947	5,002,054
Commitments and Contingencies (Note 14)		
Stockholders' Equity:		
Preferred Stock, $.001 par value, 20,000,000 shares authorized:		
Hughes Retail Preferred Tracking Stock, $.001 par value, zero authorized, issued and outstanding at June 30, 2017 and 13,000,000 shares authorized and 6,290,499 issued and outstanding at December 31, 2016	—	6
Common stock, $.001 par value, 4,000,000,000 shares authorized:		
Class A common stock, $.001 par value, 1,600,000,000 shares authorized, 53,486,261 shares issued and 47,953,943 shares outstanding at June 30, 2017 and 52,243,465 shares issued and 46,711,147 shares outstanding at December 31, 2016	53	52
Class B common stock, $.001 par value, 800,000,000 shares authorized, 47,687,039 shares issued and outstanding at each of June 30, 2017 and December 31, 2016	48	48
Class C common stock, $.001 par value, 800,000,000 shares authorized, none issued and outstanding at each of June 30, 2017 and December 31, 2016	—	—
Class D common stock, $.001 par value, 800,000,000 shares authorized, none issued and outstanding at each of June 30, 2017 and December 31, 2016	—	—

Additional paid-in capital	3,654,139	3,828,677
Accumulated other comprehensive loss	(86,068)	(124,803)
Accumulated earnings	373,410	314,247
Treasury stock, at cost	(98,162)	(98,162)
Total EchoStar stockholders' equity	3,843,420	3,920,065
Noncontrolling interest in HSS Tracking Stock	—	73,910
Other noncontrolling interests	13,304	12,830
Total stockholders' equity	3,856,724	4,006,805
Total liabilities and stockholders' equity	$ 8,743,671	$ 9,008,859

The accompanying notes are an integral part of these condensed consolidated financial statements.

ECHOSTAR CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
Revenue:				
Services and other revenue - DISH Network	$ 113,734	$ 115,864	$ 228,689	$ 232,313
Services and other revenue - other	285,053	273,972	554,844	543,869
Equipment revenue - DISH Network	18	2,101	49	4,870
Equipment revenue - other	66,271	50,721	114,645	93,580
Total revenue	465,076	442,658	898,227	874,632
Costs and Expenses:				
Cost of sales - services and other (exclusive of depreciation and amortization)	134,024	127,766	265,807	253,348
Cost of sales - equipment (exclusive of depreciation and amortization)	57,865	46,545	101,803	89,653
Selling, general and administrative expenses	89,826	79,237	172,817	159,782
Research and development expenses	7,437	7,562	15,142	14,494
Depreciation and amortization	130,034	106,117	245,117	216,194
Total costs and expenses	419,186	367,227	800,686	733,471
Operating income	45,890	75,431	97,541	141,161
Other Income (Expense):				
Interest income	10,039	3,502	18,330	7,467
Interest expense, net of amounts capitalized	(55,456)	(19,889)	(100,852)	(43,060)
Gains on investments, net	1,837	5,487	13,872	7,949
Other-than-temporary impairment loss on available-for-sale securities	—	—	(3,298)	—
Equity in earnings of unconsolidated affiliates, net	4,831	5,626	11,239	4,818
Other, net	2,453	(2,212)	3,525	5,167
Total other expense, net	(36,296)	(7,486)	(57,184)	(17,659)
Income from continuing operations before income taxes	9,594	67,945	40,357	123,502
Income tax provision	(3,003)	(23,692)	(2,991)	(43,864)
Net income from continuing operations	6,591	44,253	37,366	79,638
Net income from discontinued operations	531	11,656	7,108	24,714
Net income	7,122	55,909	44,474	104,352
Less: Net loss attributable to noncontrolling interest in HSS Tracking Stock	—	(188)	(655)	(1,011)
Less: Net income attributable to other noncontrolling interests	182	311	474	422
Net income attributable to EchoStar	6,940	55,786	44,655	104,941
Less: Net loss attributable to Hughes Retail Preferred Tracking Stock	—	(347)	(1,209)	(1,866)
Net income attributable to EchoStar common stock	$ 6,940	$ 56,133	$ 45,864	$ 106,807
Amounts attributable to EchoStar common stock:				
Net income from continuing operations	$ 6,409	$ 44,477	$ 38,756	$ 82,093
Net income from discontinued operations	531	11,656	7,108	24,714
Net income attributable to EchoStar common stock	$ 6,940	$ 56,133	$ 45,864	$ 106,807
Weighted-average common shares outstanding - Class A and B common stock:				
Basic	95,537	93,751	95,143	93,541
Diluted	96,785	94,330	96,451	94,090
Earnings per share - Class A and B common stock:				
Basic:				
Continuing operations	$ 0.07	$ 0.47	$ 0.41	$ 0.88
Discontinued operations	—	0.13	0.07	0.26
Total basic earnings per share	$ 0.07	$ 0.60	$ 0.48	$ 1.14
Diluted:				
Continuing operations	$ 0.07	$ 0.47	$ 0.40	$ 0.87
Discontinued operations	—	0.13	0.08	0.27
Total diluted earnings per share	$ 0.07	$ 0.60	$ 0.48	$ 1.14

The accompanying notes are an integral part of these condensed consolidated financial statements.

ECHOSTAR CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands, except per share amounts)
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
Comprehensive Income:				
Net income	$ 7,122	$ 55,909	$ 44,474	$ 104,352
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(249)	(338)	23,789	11,286
Unrealized gains (losses) on available-for-sale securities and other	(5,626)	(1,988)	14,406	(485)
Recognition of realized gains on available-for-sale securities in net income	(2)	(3,327)	(2,758)	(5,574)
Recognition of other-than-temporary impairment loss on available-for-sale securities in net income	—	—	3,298	—
Total other comprehensive income (loss), net of tax	(5,877)	(5,653)	38,735	5,227
Comprehensive income	1,245	50,256	83,209	109,579
Less: Comprehensive loss attributable to noncontrolling interest in HSS Tracking Stock	—	(188)	(655)	(1,011)
Less: Comprehensive income attributable to other noncontrolling interests	182	125	474	236
Comprehensive income attributable to EchoStar	$ 1,063	$ 50,319	$ 83,390	$ 110,354

The accompanying notes are an integral part of these condensed consolidated financial statements.

ECHOSTAR CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Class A and B Common Stock	Hughes Retail Preferred Tracking Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings	Treasury Stock	Noncontrolling Interest in HSS Tracking Stock	Other Noncontrolling Interests	Total
Balance, December 31, 2015	$ 99	$ 6	$ 3,776,451	$ (117,233)	$ 134,317	$(98,162)	$ 74,854	$ 11,310	$ 3,781,642
Issuances of Class A common stock:									
Exercise of stock options	1	—	2,974	—	—	—	—	—	2,975
Employee benefits	—	—	11,126	—	—	—	—	—	11,126
Employee Stock Purchase Plan	—	—	7,530	—	—	—	—	—	7,530
Stock-based compensation	—	—	8,328	—	—	—	—	—	8,328
R&D tax credits utilized by DISH Network	—	—	(1,379)	—	—	—	—	—	(1,379)
Other, net	—	—	(450)	—	—	—	—	—	(450)
Net income (loss)	—	—	—	—	104,941	—	(1,011)	422	104,352
Foreign currency translation adjustment	—	—	—	11,472	—	—	—	(186)	11,286
Unrealized losses on available-for-sale securities, net and other	—	—	—	(6,059)	—	—	—	—	(6,059)
Balance, June 30, 2016	$ 100	$ 6	$ 3,804,580	$ (111,820)	$ 239,258	$(98,162)	$ 73,843	$ 11,546	$ 3,919,351
Balance, December 31, 2016	$ 100	$ 6	$ 3,828,677	$ (124,803)	$ 314,247	$(98,162)	$ 73,910	$ 12,830	$ 4,006,805
Issuances of Class A common stock:									
Exercise of stock options	1	—	32,949	—	—	—	—	—	32,950
Employee benefits	—	—	11,200	—	—	—	—	—	11,200
Employee Stock Purchase Plan	—	—	4,540	—	—	—	—	—	4,540
Stock-based compensation	—	—	3,908	—	—	—	—	—	3,908
Cumulative effect of adoption of ASU 2016-09 as of January 1, 2017	—	—	—	—	14,508	—	—	—	14,508
Reacquisition and retirement of Tracking Stock pursuant to Share Exchange Agreement	—	(6)	(226,815)	—	—	—	(73,255)	—	(300,076)
R&D tax credits utilized by DISH Network	—	—	(320)	—	—	—	—	—	(320)
Net income (loss)	—	—	—	—	44,655	—	(655)	474	44,474
Foreign currency translation adjustment	—	—	—	23,789	—	—	—	—	23,789
Unrealized gains and impairment on available-for-sale securities, net and other	—	—	—	14,946	—	—	—	—	14,946
Balance, June 30, 2017	$ 101	$ —	$ 3,654,139	$ (86,068)	$ 373,410	$(98,162)	$ —	$ 13,304	$ 3,856,724

The accompanying notes are an integral part of these condensed consolidated financial statements.

ECHOSTAR CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	For the Six Months Ended June 30,	
	2017	**2016**
Cash Flows from Operating Activities:		
Net income	$ 44,474	$ 104,352
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	256,776	247,239
Equity in earnings of unconsolidated affiliates, net	(10,080)	(6,017)
Gain and impairment on investments, net	(10,574)	(7,949)
Stock-based compensation	3,908	8,328
Deferred tax provision	673	53,091
Dividends received from unconsolidated entity	7,500	10,000
Proceeds from sale of trading securities	8,922	7,140
Changes in current assets and current liabilities, net	87,305	(73,916)
Changes in noncurrent assets and noncurrent liabilities, net	(11,763)	2,859
Other, net	5,738	10,507
Net cash flows from operating activities	382,879	355,634
Cash Flows from Investing Activities:		
Purchases of marketable investment securities	(46,533)	(641,358)
Sales and maturities of marketable investment securities	291,944	500,775
Expenditures for property and equipment	(230,530)	(376,856)
Refunds and other receipts related to capital expenditures	—	24,087
Changes in restricted cash and marketable investment securities	(921)	(1,689)
Investments in unconsolidated entities	—	(1,636)
Sale of investment in unconsolidated entity	17,781	—
Expenditures for externally marketed software	(17,119)	(12,299)
Other, net	—	1,462
Net cash flows from investing activities	14,622	(507,514)
Cash Flows from Financing Activities:		
Repayment of debt and capital lease obligations	(17,718)	(20,433)
Net proceeds from Class A common stock options exercised	31,992	2,975
Net proceeds from Class A common stock issued under the Employee Stock Purchase Plan	4,540	7,530
Cash exchanged for Tracking Stock	(651)	—
Other, net	(2,712)	(1,320)
Net cash flows from financing activities	15,451	(11,248)
Effect of exchange rates on cash and cash equivalents	967	728
Net increase (decrease) in cash and cash equivalents	413,919	(162,400)
Cash and cash equivalents, beginning of period	2,571,143	924,240
Cash and cash equivalents, end of period	$ 2,985,062	$ 761,840
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest (including capitalized interest)	$ 130,231	$ 87,213
Capitalized interest	$ 33,768	$ 47,093
Cash paid for income taxes	$ 9,369	$ 6,199
Employee benefits paid in Class A common stock	$ 11,200	$ 11,126
Property and equipment financed under capital lease obligations	$ 8,189	$ 6,857
Increase (decrease) in capital expenditures included in accounts payable, net	$ (3,404)	$ 8,238
Capitalized in-orbit incentive obligations	$ 43,890	$ —
Noncash net assets exchanged for Tracking Stock	$ 299,425	$ —

The accompanying notes are an integral part of these condensed consolidated financial statements.

ECHOSTAR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Organization and Business Activities

Principal Business

EchoStar Corporation (which, together with its subsidiaries, is referred to as "EchoStar," the "Company," "we," "us" and/or "our") is a holding company that was organized in October 2007 as a corporation under the laws of the State of Nevada. We are a global provider of satellite service operations, video delivery solutions, broadband satellite technologies and broadband services for home and small office customers. We deliver innovative network technologies, managed services, and various communications solutions for enterprise and government customers. Our Class A common stock is publicly traded on the Nasdaq Global Select Market ("Nasdaq") under the symbol "SATS."

In February 2014, EchoStar entered into agreements with certain subsidiaries of DISH Network Corporation ("DISH") pursuant to which, effective March 1, 2014, (i) EchoStar and our subsidiary Hughes Satellite Systems Corporation ("HSS") issued the Tracking Stock (as defined below) to subsidiaries of DISH in exchange for five satellites (EchoStar I, EchoStar VII, EchoStar X, EchoStar XI, and EchoStar XIV), including the assumption of related in-orbit incentive obligations, and $11.4 million in cash and (ii) DISH and certain of its subsidiaries began receiving certain satellite services on these five satellites from us (the "Satellite and Tracking Stock Transaction"). The Tracking Stock tracked the economic performance of the residential retail satellite broadband business of our Hughes segment, including certain operations, assets and liabilities attributed to such business (collectively, the "Hughes Retail Group" or "HRG"), and represented an aggregate 80.0% economic interest in HRG (the shares issued as EchoStar Tracking Stock represented a 51.89% economic interest in HRG and the shares issued as HSS Tracking Stock represented a 28.11% economic interest in the Hughes Retail Group). In addition to the remaining 20.0% economic interest in HRG, EchoStar retained all economic interest in the wholesale satellite broadband business and other businesses of EchoStar.

On January 31, 2017, EchoStar Corporation and certain of its subsidiaries entered into a Share Exchange Agreement (the "Share Exchange Agreement") with DISH and certain of its subsidiaries. Pursuant to the Share Exchange Agreement, on February 28, 2017, among other things, EchoStar Corporation and certain of its subsidiaries received all of the shares of the Hughes Retail Preferred Tracking Stock issued by EchoStar Corporation (the "EchoStar Tracking Stock") and the Hughes Retail Preferred Tracking Stock issued by HSS (the "HSS Tracking Stock", together with the EchoStar Tracking Stock, the "Tracking Stock") in exchange for 100% of the equity interests of certain EchoStar subsidiaries that held substantially all of our EchoStar Technologies businesses and certain other assets (collectively, the "Share Exchange"). Following consummation of the Share Exchange, EchoStar no longer operates the EchoStar Technologies business segment and the EchoStar Tracking Stock and HSS Tracking Stock were retired and are no longer outstanding and all agreements, arrangements and policy statements with respect to such tracking stock terminated and are of no further effect. As a result of the Share Exchange, the condensed consolidated financial statements of the EchoStar Technologies businesses have been presented as discontinued operations and, as such, have been excluded from continuing operations and segment results for all periods presented. See Note 3 for further discussion of our discontinued operations.

We currently operate in the following two business segments:

- ***Hughes*** — which provides broadband satellite technologies and broadband services to home and small office customers and network technologies, managed services and communication solutions to domestic and international consumers and enterprise and government customers. The Hughes segment also provides managed services, hardware, and satellite services to large enterprises and government customers, and designs, provides and installs gateway and terminal equipment to customers for other satellite systems. In addition, our Hughes segment provides satellite ground segment systems and terminals to mobile system operators.
- ***EchoStar Satellite Services ("ESS")*** — which uses certain of our owned and leased in-orbit satellites and related licenses to provide satellite service operations and video delivery solutions on a full-time and occasional-use basis primarily to DISH Network Corporation and its subsidiaries ("DISH Network"), Dish Mexico, S. de R.L. de C.V., a joint venture we entered into in 2008 ("Dish Mexico"), United States ("U.S.") government service providers, internet service providers, broadcast news organizations, programmers, and private enterprise customers. We also manage satellite operations for certain satellites owned by DISH Network.

Our operations also include various corporate departments (primarily Executive, Strategic Development, Human Resources, IT, Finance, Real Estate and Legal) as well as other activities that have not been assigned to our operating segments, including costs incurred in certain satellite development programs and other business development activities, our centralized treasury operations, and gains (losses) from certain of our investments. These activities, costs and income are accounted for in "Corporate and Other."

In 2008, DISH Network completed its distribution to us of its digital set-top box business, certain infrastructure, and other assets and related liabilities, including certain of its satellites, uplink and satellite transmission assets, and real estate (the "Spin-off"). Since the Spin-off, EchoStar and DISH have operated as separate publicly-traded companies. Prior to the consummation of the Share Exchange on February 28, 2017, DISH Network held the Tracking Stock discussed above. A substantial majority of the voting power of the shares of each of EchoStar and DISH is owned beneficially by Charles W. Ergen, our Chairman, and by certain trusts established by Mr. Ergen for the benefit of his family.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the U.S. ("GAAP") and with the instructions to Form 10-Q and Article 10 of Regulation S-X for interim financial information. Accordingly, these financial statements do not include all of the information and notes required for complete financial statements prepared in conformity with GAAP. In our opinion, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Our results of operations for the interim periods presented are not necessarily indicative of the results that may be expected for the full year. For further information, refer to the consolidated financial statements and notes thereto included in our Form 10-K for the year ended December 31, 2016.

Principles of Consolidation

We consolidate all entities in which we have a controlling financial interest. We are deemed to have a controlling financial interest in variable interest entities where we are the primary beneficiary. We are deemed to have a controlling financial interest in other entities when we own more than 50 percent of the outstanding voting shares and other shareholders do not have substantive rights to participate in management. For entities we control but do not wholly own, we record a noncontrolling interest within stockholders' equity for the portion of the entity's equity attributed to the noncontrolling ownership interests. As of December 31, 2016, noncontrolling interests consisted primarily of HSS Tracking Stock previously owned by DISH Network. As a result of the Share Exchange, the noncontrolling interest in HSS Tracking Stock was extinguished as of February 28, 2017. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires us to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the balance sheets, the reported amounts of revenue and expense for each reporting period, and certain information disclosed in the notes to our condensed consolidated financial statements. Estimates are used in accounting for, among other things, amortization periods for deferred subscriber acquisition costs, revenue recognition using the percentage-of-completion method, allowances for doubtful accounts, allowances for sales returns and rebates, warranty obligations, self-insurance obligations, deferred taxes and related valuation allowances, uncertain tax positions, loss contingencies, fair value of financial instruments, fair value of stock-based compensation awards, fair value of assets and liabilities acquired in business combinations, lease classifications, asset impairment testing, useful lives and methods for depreciation and amortization of long-lived assets, and certain royalty obligations. We base our estimates and assumptions on historical experience, observable market inputs and on various other factors that we believe to be relevant under the circumstances. Due to the inherent uncertainty involved in making estimates, actual results may differ from previously estimated amounts, and such differences may be material to our condensed consolidated financial statements. Changing economic conditions may increase the inherent uncertainty in the estimates and assumptions indicated above. We review our estimates and assumptions periodically and the effects of revisions are reflected in the period they occur or prospectively if the revised estimate affects future periods.

Fair Value Measurements

We determine fair value based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. Market or observable inputs are the preferred source of values, followed by unobservable inputs or assumptions based on hypothetical transactions in the absence of market inputs. We utilize the highest level of inputs available according to the following hierarchy in determining fair value:

- Level 1, defined as observable inputs being quoted prices in active markets for identical assets;
- Level 2, defined as observable inputs other than quoted prices included in Level 1, including quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which significant inputs and significant value drivers are observable in active markets; and
- Level 3, defined as unobservable inputs for which little or no market data exists, consistent with characteristics of the asset or liability that would be considered by market participants in a transaction to purchase or sell the asset or liability.

Transfers between levels in the fair value hierarchy are considered to occur at the beginning of the quarterly accounting period. There were no transfers between levels for each of the six months ended June 30, 2017 or 2016.

As of June 30, 2017 and December 31, 2016, the carrying amounts of our cash and cash equivalents, trade accounts receivable, net of allowance for doubtful accounts, accounts payable and accrued liabilities were equal to or approximated fair value due to their short-term nature or proximity to current market rates.

Fair values of our marketable investment securities are based on a variety of observable market inputs. For our investments in publicly traded equity securities and U.S. government securities, fair value ordinarily is determined based on a Level 1 measurement that reflects quoted prices for identical securities in active markets. Fair values of our investments in other marketable debt securities generally are based on Level 2 measurements, as the markets for such debt securities are less active. Trades of identical debt securities on or near the measurement date are considered a strong indication of fair value. Matrix pricing techniques that consider par value, coupon rate, credit quality, maturity and other relevant features also may be used to determine fair value of our investments in marketable debt securities.

Fair values for HSS' 6 1/2% Senior Secured Notes due 2019 (the "2019 Senior Secured Notes"), 7 5/8% Senior Unsecured Notes due 2021 (the "2021 Senior Unsecured Notes"), 5.250% Senior Secured Notes due 2026 (the "2026 Senior Secured Notes") and 6.625% Senior Unsecured Notes due 2026 (the "2026 Senior Unsecured Notes" and together with the 2026 Senior Secured Notes, the "2026 Notes") (see Note 11) are based on quoted market prices in less active markets and are categorized as Level 2 measurements. The fair values of our other debt are Level 2 measurements and are estimated to approximate their carrying amounts based on the proximity of their interest rates to current market rates. As of June 30, 2017 and December 31, 2016, the fair values of our in-orbit incentive obligations, based on measurements categorized within Level 2 of the fair value hierarchy, approximated their carrying amounts of $115.6 million and $74.1 million, respectively. We use fair value measurements from time to time in connection with asset impairment testing and the assignment of purchase consideration to assets and liabilities of acquired companies. Those fair value measurements typically include significant unobservable inputs and are categorized within Level 3 of the fair value hierarchy.

Research and Development

Costs incurred in research and development activities generally are expensed as incurred. A significant portion of our research and development costs are incurred in connection with the specific requirements of a customer's order. In such instances, the amounts for these customer funded development efforts are included in cost of sales.

Cost of sales includes research and development costs incurred in connection with customers' orders of approximately $6.8 million and $3.3 million for the three months ended June 30, 2017 and 2016, respectively, and $13.7 million and $6.1 million for the six months ended June 30, 2017 and 2016, respectively. In addition, we incurred other research and development expenses of approximately $7.4 million and $7.6 million for the three months ended June 30, 2017 and 2016, respectively, and $15.1 million and $14.5 million for the six months ended June 30, 2017 and 2016, respectively.

Capitalized Software Costs

Costs related to the procurement and development of software for internal-use and externally marketed software are capitalized and amortized using the straight-line method over the estimated useful life of the software, not in excess of five years. Capitalized costs of internal-use software are included in "Property and equipment, net" and capitalized costs of externally marketed software are included in "Other noncurrent assets, net" in our condensed consolidated balance sheets. Externally marketed software generally is installed in the equipment we sell to customers. We conduct software program reviews for externally marketed capitalized software costs at least annually, or as events and circumstances warrant such a review, to determine if capitalized software development costs are recoverable and to ensure that costs associated with programs that are no longer generating revenue are expensed. As of June 30, 2017 and December 31, 2016, the net carrying amount of externally marketed software was $84.8 million and $76.3 million, respectively, of which $12.4 million and $50.1 million, respectively, was under development and not yet placed in service. We capitalized costs related to the development of externally marketed software of $6.3 million for each of the three months ended June 30, 2017 and 2016, respectively, and $17.1 million and $12.3 million for the six months ended June 30, 2017 and 2016, respectively. We recorded amortization expense relating to the development of externally marketed software of $5.3 million and $2.3 million for the three months ended June 30, 2017 and 2016, respectively, and $8.6 million and $4.6 million for the six months ended June 30, 2017 and 2016, respectively. The weighted average useful life of our externally marketed software was approximately four years as of June 30, 2017.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers ("ASU 2014-09"). It outlines a single comprehensive model, codified in Topic 606 of the FASB Accounting Standards Codification, for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that "an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services." In August 2015, the FASB issued ASU No. 2015-14, which deferred the mandatory effective date of ASU 2014-09 by one year. As a result, public entities are required to adopt the new revenue standard in annual periods beginning after December 15, 2017 and in interim periods within those annual periods. The standard may be applied either retrospectively to prior periods or as a cumulative-effect adjustment as of the date of adoption. Early adoption is permitted, but not before annual periods beginning after December 15, 2016. In March 2016, the FASB issued ASU No. 2016-08, Principal versus Agent Considerations, which clarifies the implementation guidance on principal versus agent considerations. In April 2016, the FASB issued ASU No. 2016-10, Identifying Performance Obligations and Licensing, which amends guidance on identifying performance obligations and accounting for licenses of intellectual property. In May 2016, the FASB issued ASU No. 2016-12, Narrow-Scope Improvements and Practical Expedients, which addresses collectibility, noncash consideration, completed contracts at transition, a practical expedient for contract modifications at transition, and an accounting policy election related to the presentation of sales taxes and other similar taxes collected from customers. In January 2017, the FASB issued ASU No. 2016-20, Technical Corrections to Topic 606, which clarifies, but does not fundamentally change, certain aspects of the new revenue standard. We plan to adopt the new revenue standard as of January 1, 2018, but have not selected the transition method that we will apply upon adoption. We continue to evaluate the impact of the new standard and available adoption methods on our consolidated financial statements. We are in the process of evaluating arrangements with customers and identifying differences in accounting between new and existing standards.

In January 2016, the FASB issued Accounting Standards Update No. 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities ("ASU 2016-01"). This update substantially revises standards for the recognition, measurement and presentation of financial instruments, including requiring all equity investments, except for investments in consolidated subsidiaries and investments accounted for using the equity method, to be measured at fair value with changes in the fair value recognized through net income. The update permits an entity to elect to measure an equity security without a readily determinable fair value at its cost, adjusted for changes resulting from impairments and observable price changes in orderly transactions for identical or similar securities of the same issuer. It also amends certain disclosure requirements associated with equity investments and the fair value of financial instruments. ASU 2016-01 is effective for annual periods beginning after December 15, 2017, including interim periods within those annual periods, with early adoption permitted for certain requirements. We are assessing the impact of adopting this new accounting standard on our consolidated financial statements and related disclosures.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, Leases ("ASU 2016-02"). This standard requires lessees to recognize assets and liabilities for all leases with lease terms more than 12 months, including leases classified as operating leases. The standard also modifies the definition of a lease and the criteria for classifying leases as operating leases or financing leases. ASU 2016-02 is effective for annual periods beginning after December 15, 2018 and interim periods within those periods. Early adoption is permitted. We are assessing the impact of adopting this new accounting standard on our consolidated financial statements and related disclosures.

In March 2016, the FASB issued Accounting Standards Update No. 2016-09, Improvements to Employee Share-Based Payment Accounting ("ASU 2016-09"), which simplifies the accounting for share-based payment awards. This update requires all excess tax benefits and deficiencies to be recognized as income tax expense or benefit and permits an entity to make an entity-wide policy election to either estimate forfeitures or recognize forfeitures as they occur. ASU 2016-09 is effective for annual periods beginning after December 15, 2016 and interim periods within those periods. The update specifies requirements for retrospective, modified retrospective or prospective application for the various amendments contained in the update. Upon adoption of this standard as of January 1, 2017, we recorded a $14.5 million deferred tax asset and a corresponding credit to accumulated earnings for excess tax benefits that had not previously been recognized because the related tax deductions had not reduced taxes payable. We did not change our accounting policy to estimate forfeitures in determining compensation cost. We prospectively adopted amendments requiring presentation of excess tax benefits in operating activities in the statement of cash flows and dealing with the treatment of excess tax benefits in the calculation of diluted earnings per share. Our adoption of this update did not have a material impact on our financial statements.

In June 2016, the FASB issued Accounting Standards Update No. 2016-13, Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"), which introduces an approach based on expected losses to estimate credit losses on certain types of financial instruments rather than incurred losses. It also modifies the impairment model for available-for-sale debt securities and provides for a simplified accounting model for purchased financial assets with credit deterioration since their origination. ASU 2016-13 is effective for annual periods beginning after December 15, 2019 and interim periods within those periods. Early adoption is permitted. We are assessing the impact of adopting this new accounting standard on our consolidated financial statements and related disclosures.

In October 2016, the FASB issued Accounting Standards Update No. 2016-16, Intra-Entity Transfers of Assets Other Than Inventory ("ASU 2016-16"), which improves the accounting for the income tax consequences of intra-entity transfers of assets other than inventory. ASU 2016-16 is effective for annual periods beginning after December 15, 2017 and interim periods within those periods. We early adopted ASU 2016-16 as of January 1, 2017. Our adoption of this update did not have a material impact on our financial statements.

In November 2016, the FASB issued Accounting Standards Update No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash ("ASU 2016-18"). This standard requires restricted cash and restricted cash equivalents to be included with cash and cash equivalents in the statement of cash flows. ASU 2016-18 is effective for annual periods beginning after December 15, 2017 and interim periods within those periods. Early adoption is permitted, which must apply the guidance retrospectively to all periods presented. We are assessing the impact of adopting this new accounting standard on our consolidated financial statements and related disclosures.

In January 2017, the FASB issued Accounting Standards Update No. 2017-04, Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment ("ASU 2017-04"). This standard simplifies the accounting for goodwill impairment by removing Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. A goodwill impairment will now be the amount by which a reporting unit's carrying amount, including goodwill, exceeds its fair value, not to exceed the carrying amount of goodwill. ASU 2017-04 is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019 and is to be applied on a prospective basis. We early adopted ASU 2017-04 as of January 1, 2017. Our adoption of this update did not have any impact on our condensed consolidated financial statements, but it may impact the recognition and measurement of a goodwill impairment loss in future periods if we determine that the carrying amount of any reporting units including goodwill exceeds fair value of the reporting unit.

In March 2017, the FASB issued Accounting Standards Update No. 2017-08, Receivables - Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities ("ASU 2017-08"). This update shortens the amortization period of premiums on certain purchased callable debt securities to the earliest call date, effectively reducing interest income on such securities prior to the earliest call date. ASU 2017-08 is effective for fiscal years, and interim

periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted. We are assessing the impact of adopting this new accounting standard on our consolidated financial statements and related disclosures.

Note 3. Discontinued Operations

On January 31, 2017, EchoStar and certain of its subsidiaries entered into the Share Exchange Agreement. Pursuant to the Share Exchange Agreement, on February 28, 2017, among other things, EchoStar Corporation and certain of its subsidiaries received all of the shares of the Tracking Stock in exchange for 100% of the equity interests of certain EchoStar subsidiaries that held substantially all of our EchoStar Technologies businesses and certain other assets. Following consummation of the Share Exchange, EchoStar no longer operates the EchoStar Technologies business segment and the EchoStar Tracking Stock and HSS Tracking Stock were retired and are no longer outstanding and all agreements, arrangements and policy statements with respect to such tracking stock terminated and are of no further effect.

As a result of the Share Exchange, the historical financial results of our EchoStar Technologies segment prior to the closing of the Share Exchange are reflected in our condensed consolidated financial statements as discontinued operations and, as such, have been excluded from continuing operations and segment results for all periods presented. The noncontrolling interest in HSS Tracking Stock, as reflected in our stockholders equity, was extinguished as of February 28, 2017 as a result of the Share Exchange.

The following table presents the operating results of our discontinued operations:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
	(In thousands)			
Revenue:				
Equipment, services and other revenue - DISH Network	$ —	$ 287,382	$ 143,063	$ 631,504
Equipment, services and other revenue - other	225	27,589	10,389	67,852
Total revenue	225	314,971	153,452	699,356
Costs and Expenses:				
Cost of equipment, services and other	111	256,052	121,954	571,387
Selling, general and administrative expenses	239	16,906	6,092	35,054
Research and development expenses	—	13,171	4,635	26,681
Depreciation and amortization	—	14,387	11,659	31,044
Total costs and expenses	350	300,516	144,340	664,166
Operating income (expense)	(125)	14,455	9,112	35,190
Other Income (Expense):				
Interest expense	—	(37)	(15)	(75)
Equity in earnings (losses) of unconsolidated affiliates, net	—	1,354	(1,159)	1,199
Other, net	2	81	(63)	88
Total income (expense), net	2	1,398	(1,237)	1,212
Income (loss) from discontinued operations before income taxes	(123)	15,853	7,875	36,402
Income tax benefit (provision)	654	(4,197)	(767)	(11,688)
Net income from discontinued operations	$ 531	$ 11,656	$ 7,108	$ 24,714

Expenditures for property and equipment of our discontinued operations totaled zero and $9.2 million for the three months ended June 30, 2017 and 2016, respectively, and $12.5 million and $14.5 million for the six months ended June 30, 2017 and 2016, respectively.

ECHOSTAR CORPORATION
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The following table presents the aggregate carrying amounts of assets and liabilities of our discontinued operations:

	As of	
	June 30, 2017	**December 31, 2016**
	(In thousands)	
Assets:		
Cash and cash equivalents	$ —	$ 778
Trade accounts receivable, net	101	27,261
Trade accounts receivable - DISH Network	37,713	259,198
Inventory	—	9,824
Prepaids and deposits	—	14,463
Current assets of discontinued operations	37,814	311,524
Property and equipment, net	—	271,108
Goodwill	—	6,457
Other intangible assets, net	—	7,720
Investments in unconsolidated entities	—	26,203
Other noncurrent assets, net	—	5,436
Noncurrent assets of discontinued operations	—	316,924
Total assets of discontinued operations	$ 37,814	$ 628,448
Liabilities:		
Trade accounts payable	$ 307	$ 19,518
Trade accounts payable - DISH Network	—	3,960
Current portion of capital lease obligations	—	4,323
Deferred revenue and prepayments	—	2,967
Accrued compensation	—	4,652
Accrued royalties	—	23,199
Accrued expenses and other	2,764	12,810
Current liabilities of discontinued operations	3,071	71,429
Capital lease obligations	—	416
Deferred tax liabilities, net	—	7,353
Other noncurrent liabilities	—	2,932
Noncurrent liabilities of discontinued operations	—	10,701
Total liabilities of discontinued operations	$ 3,071	$ 82,130

Note 4. Earnings per Share

We present basic earnings per share (“EPS”) and diluted EPS for our Class A and Class B common stock. Basic EPS for our Class A and Class B common stock excludes potential dilution and is computed by dividing “Net income attributable to EchoStar common stock” by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if shares of common stock were issued pursuant to our stock-based compensation awards. The potential dilution from common stock awards was computed using the treasury stock method based on the average market value of our Class A common stock during the period. The calculation of our diluted weighted-average common shares outstanding excluded options to purchase shares of our Class A common stock, whose effect would be anti-dilutive, of 0.9 million shares for the three and six months ended June 30, 2017 and 3.6 million shares for the three and six months ended June 30, 2016.

ECHOSTAR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

Prior to the Share Exchange, the EchoStar Tracking Stock was a participating security that shared in our consolidated earnings and therefore, we applied the two-class method to calculate EPS for periods prior to March 1, 2017. Under the two-class method, we allocated net income or loss attributable to EchoStar between common stock and the EchoStar Tracking Stock considering both dividends declared on each class of stock and the participation rights of each class of stock in undistributed earnings. Based on the 51.89% economic interest in the Hughes Retail Group represented by the EchoStar Tracking Stock, we allocated undistributed earnings to the EchoStar Tracking Stock based on 51.89% of the attributed net income or loss of the Hughes Retail Group. Moreover, because the reported amount of "Net income attributable to EchoStar" in our condensed consolidated statements of operations excluded DISH Network's 28.11% economic interest (represented by the HSS Tracking Stock) in the net loss of the Hughes Retail Group (reported as a noncontrolling interest), the amount of consolidated net income or loss allocated to holders of Class A and Class B common stock effectively excluded an aggregate 80.0% of the attributed net loss of the Hughes Retail Group.

The following table presents basic and diluted EPS amounts for all periods and the corresponding weighted-average shares outstanding used in the calculations.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
	(In thousands, except per share amounts)			
Amounts attributable to EchoStar common stock:				
Net income attributable to EchoStar	$ 6,940	$ 55,786	$ 44,655	$ 104,941
Less: Net loss attributable to EchoStar Tracking Stock	—	(347)	(1,209)	(1,866)
Net income attributable to EchoStar common stock	$ 6,940	$ 56,133	$ 45,864	$ 106,807
Net income from continuing operations	$ 6,409	$ 44,477	$ 38,756	$ 82,093
Net income from discontinued operations	531	11,656	7,108	24,714
Net income attributable to EchoStar common stock	$ 6,940	$ 56,133	$ 45,864	$ 106,807
Weighted-average common shares outstanding :				
Class A and B common stock:				
Basic	95,537	93,751	95,143	93,541
Dilutive impact of stock awards outstanding	1,248	579	1,308	549
Diluted	96,785	94,330	96,451	94,090
Earnings per share:				
Class A and B common stock:				
Basic:				
Continuing operations	$ 0.07	$ 0.47	$ 0.41	$ 0.88
Discontinued operations	—	0.13	0.07	0.26
Total basic earnings per share	$ 0.07	$ 0.60	$ 0.48	$ 1.14
Diluted:				
Continuing operations	$ 0.07	$ 0.47	$ 0.40	$ 0.87
Discontinued operations	—	0.13	0.08	0.27
Total diluted earnings per share	$ 0.07	$ 0.60	$ 0.48	$ 1.14

Note 5. Other Comprehensive Income (Loss) and Related Tax Effects

Except in unusual circumstances, we do not recognize tax effects on foreign currency translation adjustments because they are not expected to result in future taxable income or deductions. We have not recognized any tax effects on unrealized gains or losses on available-for-sale securities because such gains or losses would affect the amount of unrealized capital losses for which the related deferred tax asset has been fully offset by a valuation allowance.

Accumulated other comprehensive loss includes net cumulative foreign currency translation losses of $111.6 million and $135.4 million as of June 30, 2017 and December 31, 2016, respectively. Other comprehensive income includes deferred tax benefits for foreign currency translation losses related to assets that were transferred from a foreign subsidiary to a domestic subsidiary of $4.3 million and $7.3 million for the three and six months ended June 30, 2017, respectively.

Reclassifications out of accumulated other comprehensive loss for the three and six months ended June 30, 2017 and 2016 were as follows:

Accumulated Other Comprehensive Loss Components	Affected Line Item in our Condensed Consolidated Statements of Operations	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
		2017	2016	2017	2016
		(In thousands)			
Recognition of realized gains on available-for-sale securities in net income (1)	Gains on investments, net	$ (2)	$ (3,327)	$ (2,758)	$ (5,574)
Recognition of other-than-temporary impairment loss on available-for-sale securities in net income (2)	Other-than-temporary impairment loss on available-for-sale securities	—	—	3,298	—
Total reclassifications, net of tax and noncontrolling interests		$ (2)	$ (3,327)	$ 540	$ (5,574)

(1) When available-for-sale securities are sold, the related unrealized gains and losses that were previously recognized in other comprehensive income (loss) are reclassified and recognized as "Gains on investments, net" in our condensed consolidated statements of operations.
(2) We recorded an other-than-temporary impairment loss on shares of certain common stock included in our strategic equity securities.

Note 6. Investment Securities

Our marketable investment securities and restricted cash and cash equivalents consisted of the following:

	As of	
	June 30, 2017	December 31, 2016
	(In thousands)	
Marketable investment securities—current, at fair value:		
Corporate bonds	$ 146,932	$ 402,670
Strategic equity securities	127,372	94,816
Other	6,098	25,030
Total marketable investment securities—current	280,402	522,516
Restricted marketable investment securities (1)	13,065	12,203
Total	$ 293,467	$ 534,719
Restricted cash and cash equivalents (1)	$ 782	$ 723

(1) Restricted marketable investment securities and restricted cash and cash equivalents are included in "Restricted cash and marketable investment securities" in our condensed consolidated balance sheets.

Marketable Investment Securities

Our marketable investment securities portfolio consists of various debt and equity instruments, which generally are classified as available-for-sale or trading securities depending on our investment strategy for those securities. The value of our investment portfolio depends on the value of such securities and other instruments comprising the portfolio.

Corporate Bonds

Our corporate bond portfolio includes debt instruments issued by individual corporations, primarily in the industrial and financial services industries.

Strategic Equity Securities

Our strategic investment portfolio consists of investments in shares of common stock of public companies, which are highly speculative and have experienced and continue to experience volatility. We received dividend income of $3.5 million for each of the three and six months ended June 30, 2017 and de minimis dividend income for the three and six months ended June 30, 2016. We recognized a $3.3 million other-than-temporary impairment for the six months ended June 30, 2017 on one of our investments. This investment had been in a continuous loss position for more than 12 months and experienced a decline in market value as a result of adverse developments during the three months ended March 31, 2017.

For the three and six months ended June 30, 2017, “Gains on investments, net” included gains of $1.6 million and $1.7 million, respectively, related to trading securities that we held as of June 30, 2017. For the three and six months ended June 30, 2016, “Gains on investments, net” included losses of $1.2 million and $1.0 million, respectively, related to trading securities that we held as of June 30, 2016. The fair values of our trading securities were zero and $7.2 million as of June 30, 2017 and December 31, 2016, respectively.

Other

Our other current marketable investment securities portfolio includes investments in various debt instruments, including U.S. government bonds, commercial paper and mutual funds.

Restricted Cash and Marketable Investment Securities

As of June 30, 2017 and December 31, 2016, our restricted marketable investment securities, together with our restricted cash, included amounts required as collateral for our letters of credit or surety bonds.

Unrealized Gains (Losses) on Available-for-Sale Securities

The components of our available-for-sale securities are summarized in the table below.

	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
		(In thousands)		
As of June 30, 2017				
Debt securities:				
Corporate bonds	$ 146,899	$ 64	$ (31)	$ 146,932
Other (including restricted)	14,185	3	(33)	14,155
Equity securities - strategic	101,807	25,565	—	127,372
Total available-for-sale securities	$ 262,891	$ 25,632	$ (64)	$ 288,459
As of December 31, 2016				
Debt securities:				
Corporate bonds	$ 402,472	$ 285	$ (87)	$ 402,670
Other (including restricted)	32,488	3	(23)	32,468
Equity securities - strategic	77,149	13,120	(2,652)	87,617
Total available-for-sale securities	$ 512,109	$ 13,408	$ (2,762)	$ 522,755

As of June 30, 2017, restricted and non-restricted available-for-sale securities included debt securities of $157.0 million with contractual maturities of one year or less and $4.1 million with contractual maturities greater than one year. We may realize

proceeds from certain investments prior to their contractual maturity as a result of our ability to sell these securities prior to their contractual maturity.

Available-for-Sale Securities in a Loss Position

The following table reflects the length of time that our available-for-sale securities have been in an unrealized loss position. We do not intend to sell these securities before they recover or mature, and it is more likely than not that we will hold these securities until they recover or mature. We believe that changes in the estimated fair values of these securities are primarily related to temporary market conditions.

	As of			
	June 30, 2017		December 31, 2016	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	(In thousands)			
Less than 12 months	$ 52,914	$ (58)	$ 154,826	$ (2,760)
12 months or more	9,130	(6)	1,571	(2)
Total	$ 62,044	$ (64)	$ 156,397	$ (2,762)

Sales of Available-for-Sale Securities

We recognized de minimis gains from the sales of our available-for-sale securities for the three months ended June 30, 2017 and gains of $3.3 million for the three months ended and June 30, 2016. We recognized gains from the sales of our available-for sale securities of $2.8 million and $5.6 million for the six months ended June 30, 2017 and 2016, respectively. We recognized de minimis losses from the sales of our available-for-sale securities for each of the three and six months ended June 30, 2017 and 2016.

Proceeds from sales of our available-for-sale securities totaled $8.9 million and $19.6 million for the three months ended June 30, 2017 and 2016, respectively, and $31.0 million and $31.8 million for the six months ended June 30, 2017 and 2016, respectively.

Fair Value Measurements

Our current marketable investment securities are measured at fair value on a recurring basis as summarized in the table below. As of June 30, 2017 and December 31, 2016, we did not have investments that were categorized within Level 3 of the fair value hierarchy.

	As of					
	June 30, 2017			December 31, 2016		
	Total	Level 1	Level 2	Total	Level 1	Level 2
	(In thousands)					
Cash equivalents (including restricted)	$ 2,921,439	$ 36,858	$ 2,884,581	$ 2,490,168	$ 62,332	$ 2,427,836
Debt securities:						
Corporate bonds	$ 146,932	$ —	$ 146,932	$ 402,670	$ —	$ 402,670
Other (including restricted)	19,163	13,278	5,885	37,233	13,517	23,716
Equity securities - strategic	127,372	127,372	—	94,816	94,816	—
Total marketable investment securities	$ 293,467	$ 140,650	$ 152,817	$ 534,719	$ 108,333	$ 426,386

Investments in Unconsolidated Entities — Noncurrent

We have strategic investments in certain non-publicly traded equity securities that are accounted for using either the equity or the cost method of accounting. Our ability to realize value from our strategic investments in companies that are not publicly traded depends on the success of those companies' businesses and their ability to obtain sufficient capital to execute their business plans. Because private markets are not as liquid as public markets, there is also increased risk that we will not be able to sell these investments, or that when we desire to sell them we will not be able to obtain fair value for them.

Our investments in unconsolidated entities consisted of the following:

	As of	
	June 30, 2017	December 31, 2016
	(In thousands)	
Investments in unconsolidated entities—noncurrent:		
Cost method	$ 69,513	$ 80,052
Equity method	104,554	90,964
Total investments in unconsolidated entities—noncurrent	$ 174,067	$ 171,016

We did not record any cash distributions from our investments accounted for using the equity method for each of the three months ended June 30, 2017 and 2016, respectively. For the six months ended June 30, 2017 and 2016, we recorded cash distributions from one of these investments accounted for using the equity method of $7.5 million and $10.0 million, respectively. These cash distributions were determined to be a return on investment and reported in cash flows from operating activities in our condensed consolidated statements of cash flows.

In January 2017, we sold our investment in Invidi Technologies Corporation to an entity owned in part by DISH Network. Our investment was accounted for using the cost method and had a carrying amount of $10.5 million on the date of sale. We recognized a gain of $8.9 million and received cash proceeds of $17.8 million in connection with this transaction for the six months ended June 30, 2017. See Note 16 for additional information about this transaction.

In connection with the Share Exchange, our equity interests in NagraStar L.L.C. and SmarDTV SA, which we accounted for using the equity method, and our equity interest in Sling TV Holding L.L.C., which we accounted for using the cost method, were transferred to DISH Network as of February 28, 2017. See Notes 3 and 16 for additional information about the Share Exchange and related party transactions with these companies in which we held equity interests.

Note 7. Trade Accounts Receivable

Our trade accounts receivable consisted of the following:

	As of	
	June 30, 2017	December 31, 2016
	(In thousands)	
Trade accounts receivable	$ 171,227	$ 159,313
Contracts in process, net	33,560	36,170
Total trade accounts receivable	204,787	195,483
Allowance for doubtful accounts	(12,541)	(12,956)
Trade accounts receivable - DISH Network	56,825	19,417
Total trade accounts receivable, net	$ 249,071	$ 201,944

As of June 30, 2017 and December 31, 2016, progress billings offset against contracts in process amounted to $17.2 million and $14.6 million, respectively.

Note 8. Inventory

Our inventory consisted of the following:

	As of	
	June 30, 2017	December 31, 2016
	(In thousands)	
Finished goods	$ 70,692	$ 49,755
Raw materials	7,407	6,678
Work-in-process	13,166	6,187
Total inventory	$ 91,265	$ 62,620

Note 9. Property and Equipment

Property and equipment consisted of the following:

	Depreciable Life (In Years)	As of	
		June 30, 2017	December 31, 2016
		(In thousands)	
Land	—	$ 33,640	$ 35,815
Buildings and improvements	1-40	184,329	175,593
Furniture, fixtures, equipment and other	1-12	656,621	514,056
Customer rental equipment	2-4	786,311	689,579
Satellites - owned	2-15	2,998,237	2,381,120
Satellites acquired under capital leases	10-15	789,725	781,761
Construction in progress	—	664,396	1,418,763
Total property and equipment		6,113,259	5,996,687
Accumulated depreciation		(2,661,897)	(2,598,492)
Property and equipment, net		$ 3,451,362	$ 3,398,195

Construction in progress consisted of the following:

	As of	
	June 30, 2017	December 31, 2016
	(In thousands)	
Progress amounts for satellite construction, including prepayments under capital leases and launch services costs	$ 567,163	$ 1,235,577
Satellite related equipment	78,856	152,737
Other	18,377	30,449
Construction in progress	$ 664,396	$ 1,418,763

Construction in progress included the following owned and leased satellites under construction or undergoing in-orbit testing as of June 30, 2017.

Satellites	Segment	Expected Launch Date
EchoStar XXI	Corporate and Other	June 2017 (1)
EchoStar 105/SES-11	ESS	Fourth quarter of 2017
Telesat T19V (“63 West”) (2)	Hughes	Second quarter of 2018

(1) This satellite was launched in June 2017 and is expected to be placed in service late 2017.
(2) We entered into a satellite services agreement for certain capacity on this satellite once launched, but are not party to the construction contract.

Depreciation expense associated with our property and equipment consisted of the following:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
	(In thousands)			
Satellites	$ 60,072	$ 46,965	$ 112,215	$ 93,930
Furniture, fixtures, equipment and other	20,877	15,867	38,755	31,755
Customer rental equipment	34,081	29,000	64,677	58,137
Buildings and improvements	1,808	1,731	3,558	3,477
Total depreciation expense	$ 116,838	$ 93,563	$ 219,205	$ 187,299

Satellites

As of June 30, 2017, our satellite fleet consisted of 20 of our owned and leased satellites in geosynchronous orbit, approximately 22,300 miles above the equator. We depreciate our owned satellites on a straight-line basis over the estimated useful life of each satellite. Three of our satellites are accounted for as capital leases and are depreciated on a straight-line basis over their respective lease terms. We utilized one satellite that is accounted for as an operating lease and not included in property and equipment as of June 30, 2017.

Recent Developments

EchoStar III. In July 2017, the EchoStar III satellite experienced an anomaly of unknown origin that caused communications with the satellite to be interrupted and intermittent. The EchoStar III satellite is a fully depreciated, non-revenue generating asset, which we are in the process of retiring. The anomaly is not expected to have a material impact on our results of operations or financial position.

EchoStar VIII. During the second quarter of 2017, the EchoStar VIII satellite was removed from its orbital location and retired from commercial service. This retirement has not had, and is not expected to have, a material impact on our results of operations or financial position.

EchoStar XIX. The EchoStar XIX satellite was launched in December 2016 and was placed into service in March 2017. The EchoStar XIX satellite provides additional capacity for the Hughes broadband services to our customers in North America and added capacity in certain Central and South American countries and has added capability for aeronautical, enterprise and international broadband services. EchoStar contributed the EchoStar XIX satellite to its Hughes segment in February 2017.

EchoStar XXI. The EchoStar XXI satellite was launched in June 2017 and is anticipated to be placed into service in late 2017 at the 10.25 degree east longitude orbital location. The EchoStar XXI satellite will provide space segment capacity to EchoStar Mobile Limited in Europe.

EchoStar 105/SES-11. Due to anomalies experienced by our launch provider, the launch date of our EchoStar 105/SES-11 satellite was delayed. EchoStar 105/SES-11 is expected to launch in the fourth quarter of 2017. Our Ku-band payload on the EchoStar 105/SES-11 satellite will replace our current capacity on the AMC-15 satellite.

EchoStar XXIII. The EchoStar XXIII satellite was launched in March 2017 and placed into service at the 45 degree west longitude orbital location in the second quarter of 2017. We had regulatory obligations to meet certain in-service milestones by the second quarter of 2017 for our Brazilian license at the 45 degree west longitude orbital location for the Ka-, Ku- and S-band frequency bands. We have subsequently met our regulatory milestone for the Ku-band. We have sought an extension of the S- and Ka-band milestones, which may or may not be granted, and, if granted, may be subject to penalties, additional conditions or other requirements.

Satellite Anomalies

Our satellites may experience anomalies from time to time, some of which may have a significant adverse impact on their remaining useful lives, the commercial operation of the satellites or our operating results. We are not aware of any anomalies with respect to our owned or leased satellites that have had any such material adverse effect during the six months ended June 30, 2017. There can be no assurance, however, that anomalies will not have any such adverse impacts in the future. In addition, there can be no assurance that we can recover critical transmission capacity in the event one or more of our in-orbit satellites were to fail.

We historically have not carried in-orbit insurance on our satellites because we assessed that the cost of insurance was uneconomical relative to the risk of failures. Therefore, we generally bear the risk of any in-orbit failures. Pursuant to the terms of the agreements governing certain portions of our indebtedness, we are required, subject to certain limitations on coverage, to maintain in-orbit insurance for our SPACEWAY 3, EchoStar XVI, and EchoStar XVII satellites. Based on economic analysis of the current insurance market we obtained launch plus one year in-orbit insurance, subject to certain limitations, for the EchoStar XIX, EchoStar XXI and EchoStar XXIII satellites. Additionally, we obtained certain launch and in-orbit insurance for our interest in the EchoStar 105/SES-11 satellite. All other satellites, either in orbit or under construction, are not covered by launch or in-orbit insurance. We will continue to assess circumstances going forward and make insurance decisions on a case by case basis.

Note 10. Goodwill, Regulatory Authorizations and Other Intangible Assets

Goodwill

The excess of the cost of an acquired business over the fair values of net tangible and identifiable intangible assets at the time of the acquisition is recorded as goodwill. Goodwill is assigned to the reporting units within our operating segments and is subject to impairment testing annually, or more frequently when events or changes in circumstances indicate the fair value of a reporting unit is more likely than not less than its carrying amount.

As of June 30, 2017 and December 31, 2016, all goodwill related to our continuing operations was assigned to reporting units of our Hughes segment. We test this goodwill for impairment annually in the second quarter. Based on our qualitative assessment of impairment in the second quarter of 2017, we determined that it was not more likely than not that the fair values of the Hughes segment reporting units were less than the corresponding carrying amounts.

ECHOSTAR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

Regulatory Authorizations

Regulatory authorizations included amounts with finite and indefinite useful lives, as follows:

	As of December 31, 2016	Additions	Currency Translation Adjustment	As of June 30, 2017
	(In thousands)			
Finite useful lives:				
Cost	$ 87,959	$ —	$ 2,809	$ 90,768
Accumulated amortization	(14,983)	(2,396)	(736)	(18,115)
Net	72,976	(2,396)	2,073	72,653
Indefinite lives	471,657	—	—	471,657
Total regulatory authorizations, net	$ 544,633	$ (2,396)	$ 2,073	$ 544,310

Other Intangible Assets

Our other intangible assets, which are subject to amortization, consisted of the following:

	Weighted Average Useful Life (in Years)	As of June 30, 2017			As of December 31, 2016		
		Cost	Accumulated Amortization	Carrying Amount	Cost	Accumulated Amortization	Carrying Amount
		(In thousands)					
Customer relationships	8	$ 270,300	$ (225,069)	$ 45,231	$ 270,300	$ (214,544)	$ 55,756
Technology-based	6	61,300	(60,881)	419	60,835	(57,266)	3,569
Trademark portfolio	20	29,700	(9,034)	20,666	29,700	(8,291)	21,409
Total other intangible assets		$ 361,300	$ (294,984)	$ 66,316	$ 360,835	$ (280,101)	$ 80,734

Customer relationships are amortized predominantly in relation to the expected contribution of cash flow to the business over the life of the intangible asset. Other intangible assets are amortized on a straight-line basis over the periods the assets are expected to contribute to our cash flows. Intangible asset amortization expense, including amortization of regulatory authorizations with finite lives and externally marketed capitalized software, was $13.2 million and $12.6 million for the three months ended June 30, 2017 and 2016, respectively, and $25.9 million and $28.9 million for the six months ended June 30, 2017 and 2016, respectively.

ECHOSTAR CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Unaudited)

Note 11. Debt and Capital Lease Obligations

The following table summarizes the carrying amounts and fair values of our debt:

		As of			
		June 30, 2017		December 31, 2016	
	Effective Interest Rate	Carrying Amount	Fair Value	Carrying Amount	Fair Value
		(In thousands)			
Senior Secured Notes:					
6 1/2% Senior Secured Notes due 2019	6.959%	$ 990,000	$ 1,071,675	$ 990,000	$ 1,084,050
5 1/4% Senior Secured Notes due 2026	5.318%	750,000	783,750	750,000	739,688
Senior Unsecured Notes:					
7 5/8% Senior Unsecured Notes due 2021	8.062%	900,000	1,023,273	900,000	990,189
6 5/8% Senior Unsecured Notes due 2026	6.686%	750,000	809,145	750,000	760,245
Other		277	277	—	—
Less: Unamortized debt issuance costs		(28,378)	—	(31,821)	—
Subtotal		3,361,899	$ 3,688,120	3,358,179	$ 3,574,172
Capital lease obligations		289,076		297,268	
Total debt and capital lease obligations		3,650,975		3,655,447	
Less: Current portion		(39,229)		(32,984)	
Long-term debt and capital lease obligations, net of unamortized debt issuance costs		$ 3,611,746		$ 3,622,463	

The fair values of our debt are estimates categorized within Level 2 of the fair value hierarchy.

Pursuant to the terms of a registration rights agreement, HSS registered notes having substantially identical terms as the 2026 Notes with the SEC as part of an offer to exchange registered notes for the 2026 Notes. This exchange offer expired May 11, 2017 with 99.98% of the 2026 Notes being tendered for exchange.

Note 12. Income Taxes

Our tax provision for interim periods is determined using an estimate of our annual effective tax rate, adjusted for discrete items, if any, that are taken into account in the relevant period. Each quarter we update our estimate of the annual effective tax rate, and if our estimated tax rate changes, we make a cumulative adjustment.

Our quarterly tax provision, and our quarterly estimate of our annual effective tax rate, is subject to significant volatility due to several factors, including income and losses from investments for which we have a full valuation allowance, changes in tax laws and relative changes in unrecognized tax benefits. Additionally, our effective tax rate can be more or less volatile based on the amount of pre-tax income. For example, the impact of discrete items and non-deductible expenses on our effective tax rate is greater when our pre-tax income is lower.

Income tax expense was $3.0 million for the three months ended June 30, 2017 compared to an income tax expense of approximately $23.7 million the three months ended June 30, 2016. Our estimated effective income tax rate was 31.3% and 34.9% for the three months ended June 30, 2017 and 2016, respectively. The variations in our current year effective tax rate from the U.S. federal statutory rate for the three months ended June 30, 2017 was primarily due to various permanent tax differences. The variations in our effective tax rate from the U.S. federal statutory rate for the three months ended June 30, 2016 was primarily due to research and experimentation credits, partially offset by state and local taxes.

Income tax expense was approximately $3.0 million for the six months ended June 30, 2017 compared to an income tax expense of approximately $43.9 million for the six months ended June 30, 2016. Our estimated effective income tax rate was 7.4% and 35.5% for the six months ended June 30, 2017 and 2016, respectively. The variations in our effective tax rate from the U.S. federal statutory rate for the six months ended June 30, 2017 was primarily due to the recognition of a one-time tax

benefit for the revaluation of our deferred tax assets and liabilities due to a change in our state effective tax rate as a result of the Share Exchange. The tax benefit recognized from the change in our effective tax rate was partially offset by the increase in our valuation allowance associated with certain state and foreign losses. The variations in our effective tax rate from the U.S. federal statutory rate for the six months ended June 30, 2016 were primarily due to research and experimentation credits, partially offset by state and local taxes.

Note 13. Stock-Based Compensation

We maintain stock incentive plans to attract and retain officers, directors and key employees. Stock awards under these plans include both performance based and non-performance based stock incentives. We granted stock options and other incentive awards to our employees and nonemployee directors to acquire 1,197,500 shares and 389,040 shares of our Class A common stock for the three months ended June 30, 2017 and 2016, respectively, and 1,200,750 shares and 584,880 shares of our Class A common stock for the six months ended June 30, 2017 and 2016, respectively. On April 24, 2017, Mr. Ergen, our Chairman, voluntarily forfeited options to purchase 600,000 shares of Class A common stock that were granted to him on April 1, 2017, and we canceled such forfeited options.

Total non-cash, stock-based compensation expense is shown in the following table for the three and six months ended June 30, 2017 and 2016 and was assigned to the same expense categories as the base compensation for such employees:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
	(In thousands)			
Research and development expenses	$ 246	$ 258	$ 477	$ 530
Selling, general and administrative expenses	2,705	2,432	4,967	5,316
Total stock-based compensation	$ 2,951	$ 2,690	$ 5,444	$ 5,846

As of June 30, 2017, total unrecognized stock-based compensation cost, net of estimated forfeitures, related to our unvested stock awards was $24.9 million.

Note 14. Commitments and Contingencies

Commitments

As of June 30, 2017, our satellite-related obligations were approximately $703.9 million. Our satellite-related obligations primarily include payments pursuant to agreements for the construction of the EchoStar 105/SES-11 and the 63 West satellites; payments pursuant to launch services contracts and regulatory authorizations; executory costs for our capital lease satellites; costs under satellite service agreements; and in-orbit incentives relating to certain satellites; as well as commitments for long-term satellite operating leases and satellite service arrangements.

Contingencies

Patents and Intellectual Property

Many entities, including some of our competitors, have or may in the future obtain patents and other intellectual property rights that cover or affect products or services directly or indirectly related to those that we offer. We may not be aware of all patents and other intellectual property rights that our products and services may potentially infringe. Damages in patent infringement cases can be substantial, and in certain circumstances can be trebled. Further, we cannot estimate the extent to which we may be required in the future to obtain licenses with respect to intellectual property rights held by others and the availability and cost of any such licenses. Various parties have asserted patent and other intellectual property rights with respect to our products and services. We cannot be certain that these persons do not own the rights they claim, that these rights are not valid or that our products and services do not infringe on these rights. Further, we cannot be certain that we would be able to obtain licenses from these persons on commercially reasonable terms or, if we were unable to obtain such licenses, that we would be able to redesign our products and services to avoid infringement.

Separation Agreement; Share Exchange

In connection with the Spin-off, we entered into a separation agreement with DISH Network that provides, among other things, for the division of certain liabilities, including liabilities resulting from litigation. Under the terms of the separation agreement, we assumed certain liabilities that relate to our business, including certain designated liabilities for acts or omissions that occurred prior to the Spin-off. Certain specific provisions govern intellectual property related claims under which, generally, we will only be liable for our acts or omissions following the Spin-off and DISH Network will indemnify us for any liabilities or damages resulting from intellectual property claims relating to the period prior to the Spin-off, as well as DISH Network's acts or omissions following the Spin-off. Additionally, in connection with the Share Exchange, we entered into the Share Exchange Agreement and other agreements which provide, among other things, for the division of certain liabilities, including liabilities relating to taxes, intellectual property and employees and liabilities resulting from litigation and the assumption of certain liabilities that relate to the transferred businesses and assets. These agreements also contain additional indemnification provisions between us and DISH Network for certain pre-existing liabilities and legal proceedings.

Litigation

We are involved in a number of legal proceedings (including those described below) concerning matters arising in connection with the conduct of our business activities. Many of these proceedings are at preliminary stages and/or seek an indeterminate amount of damages. We regularly evaluate the status of the legal proceedings in which we are involved to assess whether a loss is probable or there is a reasonable possibility that a loss or an additional loss may have been incurred and to determine if accruals are appropriate. We record an accrual for litigation and other loss contingencies when we determine that a loss is probable and the amount of the loss can be reasonably estimated. If accruals are not appropriate, we further evaluate each legal proceeding to assess whether an estimate of possible loss or range of loss can be made. There can be no assurance that legal proceedings against us will be resolved in amounts that will not differ from the amounts of our recorded accruals. Legal fees and other costs of defending litigation are charged to expense as incurred.

For certain cases described below, management is unable to predict with any degree of certainty the outcome or provide a meaningful estimate of the possible loss or range of possible loss because, among other reasons, (i) the proceedings are in various stages; (ii) damages have not been sought or specified; (iii) damages are unsupported, indeterminate and/or exaggerated in management's opinion; (iv) there is uncertainty as to the outcome of pending trials, appeals or motions; (v) there are significant factual issues to be resolved; and/or (vi) there are novel legal issues or unsettled legal theories to be presented or a large number of parties are involved (as with many patent-related cases). Except as described below, for these cases, however, management does not believe, based on currently available information, that the outcomes of these proceedings will have a material effect on our financial condition, operating results or cash flows, though there is no assurance that the resolution and outcomes of these proceedings, individually or in the aggregate, will not be material to our financial condition, operating results or cash flows for any particular period, depending, in part, upon the operating results for such period.

We intend to vigorously defend the proceedings against us. In the event that a court or jury ultimately rules against us, we may be subject to adverse consequences, including, without limitation, substantial damages, which may include treble damages, fines, penalties, compensatory damages and/or other equitable or injunctive relief that could require us to materially modify our business operations or certain products or services that we offer to our consumers.

Elbit

On January 23, 2015, Elbit Systems Land and C4I LTD and Elbit Systems of America Ltd. (together referred to as "Elbit") filed a complaint against our subsidiary Hughes Network Systems, L.L.C. ("HNS"), as well as against Black Elk Energy Offshore Operations, LLC, Bluetide Communications, Inc. and Helm Hotels Group, in the United States District Court for the Eastern District of Texas, alleging infringement of United States Patent Nos. 6,240,073 (the "073 patent") and 7,245,874 ("874 patent"). The 073 patent is entitled "Reverse Link for a Satellite Communication Network" and the 874 patent is entitled "Infrastructure for Telephony Network." Elbit alleges that the 073 patent is infringed by broadband satellite systems that practice the Internet Protocol Over Satellite standard. Elbit alleges that the 874 patent is infringed by the manufacture and sale of broadband satellite systems that provide cellular backhaul service via connections to E1 or T1 interfaces at cellular backhaul base stations. On April 2, 2015, Elbit filed an amended complaint removing Helm Hotels Group as a defendant, but making similar allegations against a new defendant, Country Home Investments, Inc. On November 3 and 4, 2015, and January 22, 2016, the defendants filed petitions before the United States Patent and Trademark Office challenging the validity of the patents in suit, which the Patent and Trademark Office subsequently declined to institute. On April 13, 2016, the defendants answered Elbit's

complaint. At Elbit's request, on June 26, 2017, the court dismissed Elbit's claims of infringement against all parties other than HNS. Trial commenced on July 31, 2017. On August 7, 2017, the jury returned a verdict that the 073 patent was valid and infringed, and awarded Elbit approximately $21.1 million. The jury found that such infringement was not willful and that the 874 patent was not infringed. HNS intends to vigorously pursue its post-trial rights, including appeals. We cannot predict with certainty the outcome of any post-trial motions or appeals. During the three months ended June 30, 2017, we recorded $2.5 million of litigation reserve expense with respect to this matter. Any eventual payments made with respect to the ultimate outcome of this matter may be different from our accrued litigation reserves and such differences could be significant.

Michael Heskiaoff, Marc Langenohl, and Rafael Mann

On July 10, 2015, Messrs. Michael Heskiaoff and Marc Langenohl, purportedly on behalf of themselves and all others similarly situated, filed suit against our now former subsidiary Sling Media, Inc. in the United States District Court for the Southern District of New York. The complaint alleges that Sling Media Inc.'s display of advertising to its customers violates a number of state statutes dealing with consumer deception. On September 25, 2015, the plaintiffs filed an amended complaint, and Mr. Rafael Mann, purportedly on behalf of himself and all others similarly situated, filed an additional complaint alleging similar causes of action. On November 16, 2015, the cases were consolidated. On August 12, 2016, the Court dismissed the consolidated case due to plaintiffs' failure to state a claim. On September 12, 2016, the plaintiffs moved the Court for leave to file an amended complaint, which the Court denied on March 22, 2017. On April 17, 2017, the plaintiffs filed a notice of appeal.

Realtime Data LLC

On May 8, 2015, Realtime Data LLC ("Realtime") filed suit against EchoStar Corporation and our subsidiary HNS in the United States District Court for the Eastern District of Texas alleging infringement of United States Patent Nos. 7,378,992, entitled "Content Independent Data Compression Method and System"; 7,415,530, entitled "System and Methods for Accelerated Data Storage and Retrieval"; and 8,643,513, entitled "Data Compression System and Methods." On September 14, 2015, Realtime amended its complaint, additionally alleging infringement of United States Patent No. 9,116,908, entitled "System and Methods for Accelerated Data Storage and Retrieval." Realtime generally alleges that the asserted patents are infringed by certain HNS data compression products and services. Over April 29, 2016 and May 5, 2016, the defendants filed petitions before the United States Patent and Trademark Office challenging the validity of the asserted patents. The United States Patent and Trademark Office has instituted proceedings on each of those petitions. On February 14, 2017, Realtime filed a second suit against EchoStar Corporation and our subsidiary HNS in the same District Court, alleging infringement of four additional United States Patents, Nos. 7,358,867, entitled "Content Independent Data Compression Method and System;" 8,502,707, entitled "Data Compression Systems and Methods;" 8,717,204, entitled "Methods for Encoding and Decoding Data;" and 9,054,728, entitled "Data Compression System and Methods." On June 6, 2017, Realtime filed an amended complaint, adding claims of infringement against EchoStar Technologies, L.L.C., a wholly-owned subsidiary of DISH, DISH, DISH Network L.L.C., Sling TV L.L.C., Sling Media L.L.C., and Arris Group, Inc., as well as additionally alleging infringement of United States Patent No. 8,553,759, entitled "Bandwidth Sensitive Data Compression and Decompression." The cases were consolidated and no trial date has been set. On July 20, 2017, the claims against the newly added parties, with the exception of EchoStar Technologies, L.L.C., were severed into a separate case. Realtime is an entity that seeks to license an acquired patent portfolio without itself practicing any of the claims recited therein.

Shareholder Derivative Litigation

On December 5, 2012, Greg Jacobi, purporting to sue derivatively on behalf of EchoStar Corporation, filed suit (the "Jacobi Litigation") against Charles W. Ergen, Michael T. Dugan, R. Stanton Dodge, Tom A. Ortolf, C. Michael Schroeder, Joseph P. Clayton, David K. Moskowitz, and EchoStar Corporation in the United States District Court for the District of Nevada. The complaint alleges that a March 2011 attempted grant of 1.5 million stock options to Charles Ergen breached defendants' fiduciary duties, resulted in unjust enrichment, and constituted a waste of corporate assets.

On December 18, 2012, Chester County Employees' Retirement Fund, derivatively on behalf of EchoStar Corporation, filed a suit (the "Chester County Litigation") against Charles W. Ergen, Michael T. Dugan, R. Stanton Dodge, Tom A. Ortolf, C. Michael Schroeder, Anthony M. Federico, Pradman P. Kaul, Joseph P. Clayton, and EchoStar Corporation in the United States District Court for the District of Colorado. The complaint similarly alleges that the March 2011 attempted grant of 1.5 million stock options to Charles Ergen breached defendants' fiduciary duties, resulted in unjust enrichment, and constituted a waste of corporate assets.

On February 22, 2013, the Chester County Litigation was transferred to the District of Nevada, and on April 3, 2013, the Chester County Litigation was consolidated into the Jacobi Litigation. Oral argument on a motion to dismiss the Jacobi Litigation was held February 21, 2014. On April 11, 2014, the Chester County Litigation was stayed pending resolution of the motion to dismiss. On March 30, 2015, the Court dismissed the Jacobi Litigation, with leave for Jacobi to amend his complaint by April 20, 2015. On April 20, 2015, Jacobi filed an amended complaint, which on June 12, 2015, we moved to dismiss. On March 17, 2016, the Court dismissed the amended Jacobi Litigation. Jacobi has appealed this dismissal to the United States Court of Appeals for the Ninth Circuit, which has scheduled oral argument for October 10, 2017.

Of the attempted grant of 1.5 million options to Mr. Ergen in 2011, only 800,000 were validly granted.

Other

In addition to the above actions, we are subject to various other legal proceedings and claims, which arise in the ordinary course of our business. As part of our ongoing operations, the Company is subject to various inspections, audits, inquiries, investigations and similar actions by third parties, as well as by governmental/regulatory authorities responsible for enforcing the laws and regulations to which the Company may be subject. Further, under the federal False Claims Act, private parties have the right to bring qui tam, or "whistleblower," suits against companies that submit false claims for payments to, or improperly retain overpayments from, the federal government. Some states have adopted similar state whistleblower and false claims provisions. In addition, the Company from time to time receives inquiries from federal, state and foreign agencies regarding compliance with various laws and regulations.

In our opinion, the amount of ultimate liability with respect to any of these actions is unlikely to materially affect our financial position, results of operations or cash flows, though the resolutions and outcomes, individually or in the aggregate, could be material to our financial position, operating results or cash flows for any particular period, depending, in part, upon the operating results for such period.

The Company indemnifies its directors, officers and employees for certain liabilities that might arise from the performance of their responsibilities for the Company. Additionally, in the normal course of its business, the Company enters into contracts pursuant to which the Company may make a variety of representations and warranties and indemnify the counterparty for certain losses. The Company's possible exposure under these arrangements cannot be reasonably estimated as this involves the resolution of claims made, or future claims that may be made, against the Company or its officers, directors or employees, the outcomes of which are unknown and not currently predictable or estimable.

Note 15. Segment Reporting

Operating segments are business components of an enterprise for which separate financial information is available and regularly evaluated by the chief operating decision maker ("CODM"), who for EchoStar is the Company's Chief Executive Officer. Prior to March 2017, we operated in three primary business segments, Hughes, EchoStar Technologies and ESS. Following consummation of the Share Exchange described in Note 3 of these condensed consolidated financial statements, we no longer operate the EchoStar Technologies business segment. The primary measure of segment profitability that is reported regularly to our CODM is earnings before interest, taxes, depreciation and amortization, or EBITDA. Effective in March 2017, we also changed our overhead allocation methodology to reflect how the CODM evaluates our segments. Historically, the costs of all corporate functions were included on an allocated basis in each of the business segments' EBITDA. Under the revised allocation methodology, these costs are now reported and analyzed as part of "Corporate and Other" (previously "All Other and Eliminations"). Our prior period segment EBITDA disclosures have been restated to reflect this change.

As of March 2017, our two primary business segments are Hughes and ESS, as described in Note 1 of these condensed consolidated financial statements.

Our operations also include various corporate departments (primarily Executive, Strategic Development, Human Resources, IT, Finance, Real Estate and Legal) as well as other activities that have not been assigned to our operating segments, including costs incurred in certain satellite development programs and other business development activities, our centralized treasury operations, and gains (losses) from certain of our investments. Costs and income associated with these departments and activities are accounted for in the "Corporate and Other" column in the table below or in the reconciliation of EBITDA below.

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Transactions between segments were not significant for the three and six months ended June 30, 2017 or 2016, respectively. Total assets by segment have not been reported herein because the information is not provided to our CODM on a regular basis.

The following table presents revenue, EBITDA, and capital expenditures for each of our operating segments:

	Hughes	EchoStar Satellite Services	Corporate and Other	Consolidated Total
		(In thousands)		
For the Three Months Ended June 30, 2017				
External revenue	$ 362,403	$ 97,945	$ 4,728	$ 465,076
Intersegment revenue	$ 359	$ 421	$ (780)	$ —
Total revenue	$ 362,762	$ 98,366	$ 3,948	$ 465,076
EBITDA	$ 110,024	$ 80,465	$ (5,626)	$ 184,863
Capital expenditures	$ 96,529	$ 4,640	$ 26,895	$ 128,064
For the Three Months Ended June 30, 2016				
External revenue	$ 338,574	$ 101,278	$ 2,806	$ 442,658
Intersegment revenue	$ 763	$ 172	$ (935)	$ —
Total revenue	$ 339,337	$ 101,450	$ 1,871	$ 442,658
EBITDA	$ 117,627	$ 84,284	$ (11,585)	$ 190,326
Capital expenditures	$ 81,322	$ 10,312	$ 40,815	$ 132,449
For the Six Months Ended June 30, 2017				
External revenue	$ 691,013	$ 198,096	$ 9,118	$ 898,227
Intersegment revenue	$ 1,069	$ 596	$ (1,665)	$ —
Total revenue	$ 692,082	$ 198,692	$ 7,453	$ 898,227
EBITDA	$ 210,876	$ 163,528	$ (6,227)	$ 368,177
Capital expenditures	$ 162,196	$ 13,148	$ 42,670	$ 218,014
For the Six Months Ended June 30, 2016				
External revenue	$ 664,113	$ 204,093	$ 6,426	$ 874,632
Intersegment revenue	$ 1,462	$ 346	$ (1,808)	$ —
Total revenue	$ 665,575	$ 204,439	$ 4,618	$ 874,632
EBITDA	$ 227,983	$ 172,924	$ (25,029)	$ 375,878
Capital expenditures	$ 185,559	$ 35,032	$ 117,653	$ 338,244

The following table reconciles total consolidated EBITDA to reported "Income from continuing operations before income taxes" in our condensed consolidated statements of operations:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
	(In thousands)			
EBITDA	$ 184,863	$ 190,326	$ 368,177	$ 375,878
Interest income and expense, net	(45,417)	(16,387)	(82,522)	(35,593)
Depreciation and amortization	(130,034)	(106,117)	(245,117)	(216,194)
Net income (loss) attributable to noncontrolling interest in HSS Tracking Stock and other noncontrolling interests	182	123	(181)	(589)
Income from continuing operations before income taxes	$ 9,594	$ 67,945	$ 40,357	$ 123,502

Note 16. Related Party Transactions

DISH Network

Following the Spin-off, we and DISH have operated as separate publicly-traded companies. However, prior to the consummation of the Share Exchange on February 28, 2017, DISH Network owned the Tracking Stock representing an aggregate 80.0% economic interest in the residential retail satellite broadband business of our Hughes segment. Following the consummation of the Share Exchange, the Tracking Stock was retired. In addition, a substantial majority of the voting power of the shares of each of EchoStar and DISH is owned beneficially by Charles W. Ergen, our Chairman, and by certain trusts established by Mr. Ergen for the benefit of his family.

In connection with and following both the Spin-off and the Share Exchange, we and DISH Network entered into certain agreements pursuant to which we obtain certain products, services and rights from DISH Network; DISH Network obtains certain products, services and rights from us; and we and DISH Network indemnify each other against certain liabilities arising from our respective businesses. We also may enter into additional agreements with DISH Network in the future. Generally, the amounts we or DISH Network pay for products and services provided under the agreements are based on cost plus a fixed margin (unless noted differently below or in our most recent Annual Report on Form 10-K), which varies depending on the nature of the products and services provided.

The following is a summary of the terms of our principal agreements with DISH Network that may have an impact on our financial condition and results of operations.

Equipment revenue — DISH Network

Receiver Agreement. Effective January 2012, one of our subsidiaries and DISH Network entered into a receiver agreement (the "2012 Receiver Agreement"), pursuant to which DISH Network had the right, but not the obligation, to purchase digital set-top boxes, related accessories, and other equipment from us for the period from January 2012 through December 2014. The 2012 Receiver Agreement replaced the receiver agreement one of our subsidiaries entered into with DISH Network in connection with the Spin-off. The 2012 Receiver Agreement allowed DISH Network to purchase digital set-top boxes, related accessories, and other equipment from us either: (i) at cost (decreasing as we reduced costs and increasing as costs increased) plus a dollar mark-up which depended upon the cost of the product subject to a collar on our mark-up; or (ii) at cost plus a fixed margin, which depended on the nature of the equipment purchased. Under the 2012 Receiver Agreement, our margins would have increased if we were able to reduce the costs of our digital set-top boxes and our margins would have reduced if these costs increased. One of our subsidiaries provided DISH Network with standard manufacturer warranties for the goods sold under the 2012 Receiver Agreement. Additionally, the 2012 Receiver Agreement included an indemnification provision, whereby the parties agreed to indemnify each other for certain intellectual property matters. In November 2016, one of our subsidiaries and DISH Network amended this agreement to extend its term for one year through December 2017. This agreement was transferred to DISH Network as part of the Share Exchange and EchoStar has no further obligations and will earn no additional revenue under this agreement after February 2017.

Services and other revenue — DISH Network

Broadcast Agreement. Effective January 2012, one of our subsidiaries and DISH Network entered into a broadcast agreement (the "2012 Broadcast Agreement"), pursuant to which we provided certain broadcast services to DISH Network, including teleport services such as transmission and downlinking, channel origination services, and channel management services, for the period from January 2012 through December 2016. In November 2016, one of our subsidiaries and DISH Network amended the 2012 Broadcast Agreement to extend the term for one year through December 2017. The fees for the services provided under the 2012 Broadcast Agreement were calculated at either: (a) our cost of providing the relevant service plus a fixed dollar fee, which was subject to certain adjustments; or (b) our cost of providing the relevant service plus a fixed margin, depending on the nature of the services provided. This agreement was transferred to DISH Network as part of the Share Exchange and EchoStar has no further obligations and will earn no additional revenue under this agreement after February 2017.

Broadcast Agreement for Certain Sports Related Programming. In May 2010, one of our subsidiaries and DISH Network entered into a broadcast agreement pursuant to which we provided certain broadcast services to DISH Network in connection with its carriage of certain sports related programming. The term of this agreement was ten years. The fees for the broadcast services provided under this agreement depended, among other things, upon the cost to develop and provide such services. This agreement was transferred to DISH Network as part of the Share Exchange and EchoStar has no further obligations and will earn no additional revenue under this agreement after February 2017.

RUS Implementation Agreement. In September 2010, DISH Broadband L.L.C. ("DISH Broadband"), DISH's indirect, wholly-owned subsidiary, was selected by the Rural Utilities Service ("RUS") of the United States Department of Agriculture to receive up to approximately $14.1 million in broadband stimulus grant funds (the "Grant Funds"). Effective November 2011, HNS and DISH Broadband entered into a RUS Implementation Agreement (the "RUS Agreement") pursuant to which HNS provided certain portions of the equipment and broadband service used to implement DISH Broadband's RUS program. While the RUS Agreement expired in June 2013 when the Grant Funds were exhausted, HNS is required to continue providing services to DISH Broadband's customers activated prior to the expiration of the RUS Agreement in accordance with the terms and conditions of the RUS Agreement.

Satellite Services Provided to DISH Network. Since the Spin-off, we have entered into certain satellite service agreements pursuant to which DISH Network receives satellite services on certain satellites owned or leased by us. The fees for the services provided under these satellite service agreements depend, among other things, upon the orbital location of the applicable satellite, the number of transponders that are providing services on the applicable satellite, and the length of the service arrangements. The terms of each service arrangement is set forth below:

EchoStar VII, EchoStar X, EchoStar XI and EchoStar XIV. As part of the Satellite and Tracking Stock Transaction, described below, in March 2014, we began providing certain satellite services to DISH Network on the EchoStar VII, EchoStar X, EchoStar XI and EchoStar XIV satellites. The term of each satellite services agreement generally terminates upon the earlier of: (i) the end of life of the satellite; (ii) the date the satellite fails; or (iii) a certain date, which depends upon, among other things, the estimated useful life of the satellite. DISH Network generally has the option to renew each satellite service agreement on a year-to-year basis through the end of the respective satellite's life. There can be no assurance that any options to renew such agreements will be exercised. In December 2016, DISH Network renewed the satellite services agreement relative to the EchoStar VII satellite for one year to June 2018.

EchoStar IX. Effective January 2008, DISH Network began receiving satellite services from us on the EchoStar IX satellite. Subject to availability, DISH Network generally has the right to continue to receive satellite services from us on the EchoStar IX satellite on a month-to-month basis.

EchoStar XII. DISH Network receives satellite services from us on the EchoStar XII satellite. The term of the satellite services agreement terminates September 2017.

EchoStar XVI. In December 2009, we entered into an initial ten-year transponder service agreement with DISH Network, pursuant to which DISH Network has received satellite services from us on the EchoStar XVI satellite since January 2013. Effective December 2012, we and DISH Network amended the transponder service agreement to, among other things, change the initial term to generally expire upon the earlier of: (i) the end-of-life or replacement of the satellite; (ii) the date the satellite fails; (iii) the date the transponder(s) on which service is being provided under the agreement fails; or (iv) four years following the actual service commencement date. In July 2016, we and DISH Network further amended the

transponder service agreement to, among other things, extend the initial term by one additional year through January 2018 and to reduce the term of the first renewal option by one year. In May 2017, DISH Network renewed the satellite services agreement relative to the EchoStar XVI satellite for five-years to January 2023. DISH Network has the option to renew for an additional five-year period prior to expiration of the term. There can be no assurance that such option to renew this agreement will be exercised. In the event that DISH Network does not exercise its five-year renewal option, DISH Network has the option to purchase the EchoStar XVI satellite for a certain price. If DISH Network does not elect to purchase the EchoStar XVI satellite at that time, we may sell the EchoStar XVI satellite to a third party and DISH Network is required to pay us a certain amount in the event we are not able to sell the EchoStar XVI satellite for more than a certain amount.

Nimiq 5 Agreement. In September 2009, we entered into a fifteen-year satellite service agreement with Telesat Canada ("Telesat") to receive service on all 32 DBS transponders on the Nimiq 5 satellite at the 72.7 degree west longitude orbital location (the "Telesat Transponder Agreement"). In September 2009, we also entered into a satellite service agreement (the "DISH Nimiq 5 Agreement") with DISH Network, pursuant to which DISH Network receives satellite services from us on all 32 of the DBS transponders covered by the Telesat Transponder Agreement.

Under the terms of the DISH Nimiq 5 Agreement, DISH Network makes certain monthly payments to us that commenced in September 2009, when the Nimiq 5 satellite was placed into service, and continue through the service term. Unless earlier terminated under the terms and conditions of the DISH Nimiq 5 Agreement, the service term will expire in October 2019. Upon expiration of the initial term, DISH Network has the option to renew the DISH Nimiq 5 Agreement on a year-to-year basis through the end of life of the Nimiq 5 satellite. Upon in-orbit failure or end of life of the Nimiq 5 satellite, and in certain other circumstances, DISH Network has certain rights to receive service from us on a replacement satellite. There can be no assurance that any options to renew the DISH Nimiq 5 Agreement will be exercised or that DISH Network will exercise its option to receive service on a replacement satellite.

QuetzSat-1 Agreement. In November 2008, we entered into a ten-year satellite service agreement with SES Latin America, which provides, among other things, for the provision by SES Latin America to us of service on 32 DBS transponders on the QuetzSat-1 satellite. Concurrently, in 2008, we entered into a transponder service agreement with DISH Network, pursuant to which DISH Network receives satellite services on 24 of the DBS transponders on the QuetzSat-1 satellite. The QuetzSat-1 satellite was launched in September 2011 and was placed into service in November 2011 at the 67.1 degree west longitude orbital location. In February 2013, we and DISH Network entered into an agreement pursuant to which we receive certain satellite services from DISH Network on five DBS transponders on the QuetzSat-1 satellite. In January 2013, the QuetzSat-1 satellite was moved to the 77 degree west longitude orbital location and DISH Network commenced commercial operations at such location in February 2013.

Under the terms of our contractual arrangements with DISH Network, we began to provide service to DISH Network on the QuetzSat-1 satellite in February 2013 and will continue to provide service through the remainder of the service term. Unless extended or earlier terminated under the terms and conditions of our agreement with DISH Network for the QuetzSat-1 satellite, the initial service term will expire in November 2021. Upon expiration of the initial service term, DISH Network has the option to renew the agreement for the QuetzSat-1 satellite on a year-to-year basis through the end of life of the QuetzSat-1 satellite. Upon an in-orbit failure or end of life of the QuetzSat-1 satellite, and in certain other circumstances, DISH Network has certain rights to receive service from us on a replacement satellite. There can be no assurance that any options to renew this agreement will be exercised or that DISH Network will exercise its option to receive service on a replacement satellite.

103 Degree Orbital Location/SES-3. In May 2012, we entered into a spectrum development agreement (the "103 Spectrum Development Agreement") with Ciel Satellite Holdings Inc. ("Ciel") to develop certain spectrum rights at the 103 degree west longitude orbital location (the "103 Spectrum Rights"). In June 2013, we and DISH Network entered into a spectrum development agreement (the "DISH 103 Spectrum Development Agreement") pursuant to which DISH Network may use and develop the 103 Spectrum Rights. Unless earlier terminated under the terms and conditions of the DISH 103 Spectrum Development Agreement, the term generally will continue for the duration of the 103 Spectrum Rights.

In connection with the 103 Spectrum Development Agreement, in May 2012, we also entered into a ten-year service agreement with Ciel pursuant to which we receive certain satellite services from Ciel on the SES-3 satellite at the 103 degree orbital location. In June 2013, we and DISH Network entered into an agreement pursuant to which DISH Network

receives certain satellite services from us on the SES-3 satellite (the "DISH 103 Service Agreement"). Under the terms of the DISH 103 Service Agreement, DISH Network makes certain monthly payments to us through the service term. Unless earlier terminated under the terms and conditions of the DISH 103 Service Agreement, the initial service term will expire on the earlier of: (i) the date the SES-3 satellite fails; (ii) the date the transponder(s) on which service was being provided under the agreement fails; or (iii) June 2023. Upon in-orbit failure or end of life of the SES-3 satellite, and in certain other circumstances, DISH Network has certain rights to receive service from us on a replacement satellite. There can be no assurance that DISH Network will exercise its option to receive service on a replacement satellite.

Satellite and Tracking Stock Transaction. In February 2014, we entered into agreements with DISH Network to implement a transaction pursuant to which, among other things: (i) in March 2014, EchoStar and HSS issued shares of the Tracking Stock to DISH Network in exchange for five satellites owned by DISH Network (EchoStar I, EchoStar VII, EchoStar X, EchoStar XI and EchoStar XIV) (including assumption of related in-orbit incentive obligations) and approximately $11.4 million in cash; and (ii) in March 2014, DISH Network began receiving certain satellite services on these five satellites from us (collectively, the "Satellite and Tracking Stock Transaction.") The Tracking Stock was retired in March 2017 and is no longer outstanding and all agreements, arrangements and policy statements with respect to such Tracking Stock terminated and are of no further effect. See Note 3 for further information.

TT&C Agreement. Effective January 2012, we entered into a telemetry, tracking and control ("TT&C") agreement pursuant to which we provide TT&C services to DISH Network for a period ending in December 2016 (the "2012 TT&C Agreement"). In November 2016, we and DISH Network amended the 2012 TT&C Agreement to extend the term for one year through December 2017. The 2012 TT&C Agreement replaced the TT&C agreement we entered into with DISH Network in connection with the Spin-off. The fees for services provided under the 2012 TT&C Agreement are calculated at either: (i) a fixed fee or (ii) cost plus a fixed margin, which will vary depending on the nature of the services provided. DISH Network is able to terminate the 2012 TT&C Agreement for any reason upon 60 days' notice.

In connection with the Satellite and Tracking Stock Transaction, in February 2014, we amended the TT&C Agreement to cease the provision of TT&C services to DISH Network for the EchoStar I, EchoStar VII, EchoStar X, EchoStar XI and EchoStar XIV satellites. Effective March 2014, we provide TT&C services for the D-1 and EchoStar XV satellites; however, for the period that we received satellite services on the EchoStar XV satellite from DISH Network, we waived the fees for the TT&C services on the EchoStar XV satellite. Effective August 2016, we provide TT&C services to DISH Network for the EchoStar XVIII satellite.

Real Estate Leases to DISH Network. We have entered into lease agreements pursuant to which DISH Network leases certain real estate from us. The rent on a per square foot basis for each of the leases is comparable to per square foot rental rates of similar commercial property in the same geographic area at the time of the lease, and DISH Network is responsible for its portion of the taxes, insurance, utilities and maintenance of the premises. The term of each of the leases is set forth below:

100 Inverness Lease Agreement. In connection with the Share Exchange, effective March 2017, DISH Network leases from us certain space at 100 Inverness Circle East, Englewood, Colorado for a period ending in December 2020. This agreement may be terminated by either party upon 180 days' prior notice. This agreement may be extended by mutual consent, in which case this agreement will be converted to a month-to-month lease agreement. Upon extension, either party has the right to terminate this agreement upon 30 days' notice.

90 Inverness Lease Agreement. The lease for certain space at 90 Inverness Circle East, Englewood, Colorado was for a period ending in December 2016. In February 2016, DISH Network terminated this lease effective in August 2016.

Meridian Lease Agreement. The lease for all of 9601 S. Meridian Blvd., Englewood, Colorado was for a period ending in December 2016. Effective December 2016, we and DISH Network amended this lease to, among other things, extend the term for one year through December 2017. This agreement may be extended by mutual consent, in which case this agreement will be converted to a month-to-month lease agreement. Upon extension, either party has the right to terminate this agreement upon 30 days' notice.

Santa Fe Lease Agreement. The lease for all of 5701 S. Santa Fe Dr., Littleton, Colorado was for a period ending in December 2016. Effective December 2016, we and DISH Network amended this lease to, among other things, extend the term for one year through December 2017. This agreement may be extended by mutual consent, in which case this

agreement will be converted to a month-to-month lease agreement. Upon extension, either party has the right to terminate this agreement upon 30 days' notice.

Atlanta Sublease Agreement. The sublease for certain space at 211 Perimeter Center, Atlanta, Georgia terminated in October 2016.

Gilbert Lease Agreement. The lease for certain space at 801 N. DISH Drive, Gilbert, Arizona was for a period ending July 2016. Effective November 2016, we and DISH Network amended this lease to extend the term for one year through July 2017. This agreement was transferred to DISH Network as part of the Share Exchange and EchoStar has no further obligations and will earn no additional revenue under this agreement after February 2017.

Cheyenne Lease Agreement. Prior to the Share Exchange, we leased to DISH Network certain space at 530 EchoStar Drive, Cheyenne, Wyoming. In connection with the Share Exchange, we transferred ownership of a portion of this property to DISH Network and we and DISH Network amended this agreement to (i) terminate the lease for the transferred space and (ii) provide for a continued lease to DISH Network of the portion of the property we retained for a period ending in December 2031. This agreement may be extended by mutual consent, in which case this agreement will be converted to a month-to-month lease agreement. Upon extension, either party has the right to terminate this agreement upon 30 days' notice.

Product Support Agreement. In connection with the Spin-off, one of our subsidiaries entered into a product support agreement pursuant to which DISH Network had the right, but not the obligation, to receive product support from us (including certain engineering and technical support services) for all set-top boxes and related accessories that we had previously sold to DISH Network. The fees for the services provided under the product support agreement were calculated at cost plus a fixed margin, which varied depending on the nature of the services provided. The term of the product support agreement was the economic life of such set-top boxes and related accessories, unless terminated earlier. This agreement was transferred to DISH Network as part of the Share Exchange and EchoStar has no further obligations and will earn no additional revenue under this agreement after February 2017.

DISHOnline.com Services Agreement. Effective January 2010, DISH Network entered into a two-year agreement with one of our subsidiaries pursuant to which DISH Network received certain services associated with an online video portal. The fees for the services provided under this services agreement depended, among other things, upon the cost to develop and operate such services. In November 2016, one of our subsidiaries and DISH Network amended this agreement to, among other things, extend the term for one year through December 2017. This agreement was transferred to DISH Network as part of the Share Exchange and EchoStar has no further obligations and will earn no additional revenue under this agreement after February 2017.

DISH Remote Access Services Agreement. Effective February 2010, one of our subsidiaries entered into an agreement with DISH Network pursuant to which DISH Network received, among other things, certain remote digital video recorder ("DVR") management services. The fees for the services provided under this services agreement depended, among other things, upon the cost to develop and operate such services. This agreement automatically renewed in February 2017 for an additional one-year period until February 2018. This agreement was transferred to DISH Network as part of the Share Exchange and EchoStar has no further obligations and will earn no additional revenue under this agreement after February 2017.

SlingService Services Agreement. Effective February 2010, one of our subsidiaries entered into an agreement with DISH Network pursuant to which DISH Network received certain services related to placeshifting. The fees for the services provided under this services agreement depended, among other things, upon the cost to develop and operate such services. This agreement automatically renewed in February 2017 for an additional one-year period until February 2018. This agreement was transferred to DISH Network as part of the Share Exchange and EchoStar has no further obligations and will earn no additional revenue under this agreement after February 2017.

TerreStar Agreement one-year period, unless terminated by TerreStar upon at least 60 days' written notice to us prior to the end of the term. The provision of operations and maintenance services will continue until April 2018 and will automatically renew in April 2018 for an additional one-year period, unless terminated by TerreStar or us upon at least 90 days' written notice prior to the end of the term. The provision of hosting services will continue until May 2022 and will not renew beyond May 2022 unless the parties enter into a new agreement or amend the existing agreement. In addition, TerreStar generally may terminate such services for convenience subject to providing us with prior notice and/or payment of termin. In March 2012, DISH Network completed its acquisition of substantially all the assets of TerreStar Networks Inc. ("TerreStar"). Prior to DISH Network's acquisition of substantially all the assets of TerreStar and our completion of the Hughes Acquisition, TerreStar and HNS entered into various agreements pursuant to which our Hughes segment provides, among other things, warranty, operations and maintenance and hosting services for TerreStar's ground-based communications equipment. TerreStar generally has the right to continue to receive warranty services from us for one of our products on a month-to-month basis. The provision of warranty services for our other product will continue until March 2018 and will automatica

ation charges. lly renew in March 2018 for an additional one-year period, unless terminated by TerreStar upon at least 60 days' written notice to us prior to the end of the term. The provision of operations and maintenance services will continue until April 2018 and will automatically renew in April 2018 for an additional one-year period, unless terminated by TerreStar or us upon at least 90 days' written notice prior to the end of the term. The provision of hosting services will continue until May 2022 and will not renew beyond May 2022 unless the parties enter into a new agreement or amend the existing agreement. In addition, TerreStar generally may terminate such services for convenience subject to providing us with prior notice and/or payment of termination charges.

Hughes Broadband Distribution Agreement. Effective October 2012, HNS and dishNET Satellite Broadband L.L.C. ("dishNET"), a wholly-owned subsidiary of DISH, entered into a distribution agreement (the "Distribution Agreement") pursuant to which dishNET has the right, but not the obligation, to market, sell and distribute the Hughes satellite internet service (the "Hughes service"). dishNET pays HNS a monthly per subscriber wholesale service fee for the Hughes service based upon a subscriber's service level, and based upon certain volume subscription thresholds. The Distribution Agreement also provides that dishNET has the right, but not the obligation, to purchase certain broadband equipment from us to support the sale of the Hughes service. The Distribution Agreement had an initial term of five years with automatic renewal for successive one year terms unless terminated by either party with a written notice at least 180 days before the expiration of the then-current term. In February 2014, HNS and dishNET entered into an amendment to the Distribution Agreement which, among other things, extended the initial term of the Distribution Agreement until March 2024. Upon expiration or termination of the Distribution Agreement, the parties will continue to provide the Hughes service to the then-current dishNET subscribers pursuant to the terms and conditions of the Distribution Agreement.

Set-Top Box Application Development Agreement. In November 2012, one of our subsidiaries and DISH Network entered into a set-top box application development agreement (the "Application Development Agreement") pursuant to which we provided DISH Network with certain services relating to the development of web-based applications for set-top boxes. The fees for services provided under the Application Development Agreement were calculated at our cost of providing the relevant service plus a fixed margin, which depended on the nature of the services provided. The Application Development Agreement automatically renewed in February 2017 for a one-year period ending in February 2018. This agreement was transferred to DISH Network as part of the Share Exchange and EchoStar has no further obligations and will earn no additional revenue under this agreement after February 2017.

XiP Encryption Agreement. In July 2012, we entered into an encryption agreement with DISH Network for our whole-home HD DVR line of set-top boxes (the "XiP Encryption Agreement") pursuant to which we provided certain security measures on our whole-home HD DVR line of set-top boxes to encrypt the content delivered to the set-top box via a smart card and secure the content between set-top boxes. The XiP Encryption Agreement's term ended on the same day as the 2012 Receiver Agreement and therefore was automatically extended through December 2017 when we and DISH Network extended the 2012 Receiver Agreement. The fees for the services provided under the XiP Encryption Agreement were calculated on a monthly basis based on the number of receivers utilizing such security measures each month. Effective March 2017 in connection with the Share Exchange, we and DISH Network terminated the XiP Encryption Agreement and EchoStar has no further obligations and will earn no additional revenue under these agreements after February 2017.

DBSD North America Agreement. In March 2012, DISH Network completed its acquisition of 100% of the equity of reorganized DBSD North America, Inc. ("DBSD North America"). Prior to DISH Network's acquisition of DBSD North America and completion of the Hughes Acquisition, DBSD North America and HNS entered into various agreements pursuant to which our Hughes segment provides, among other things, warranty, operations and maintenance and hosting services of DBSD North America's gateway and ground-based communications equipment. DBSD North America generally has the right to continue to receive warranty services from us on a month-to-month basis until February 2019. The provision of operations and maintenance services will continue until April 2018 and will automatically renew in April 2018 for an additional one-year period, unless terminated by DBSD North America upon at least 120 days' written notice to us prior to the end of the term. The provision of hosting services will continue until February 2022 and will automatically renew for an additional five-year period until February 2027 unless terminated by DBSD North America upon at least 180 days' written notice to us prior to the end of the term. In addition, DBSD North America generally may terminate such services for convenience, subject to providing us with prior notice and/or payment of termination charges.

Sling TV Holding L.L.C. ("Sling TV Holding"). Effective July 2012, we and DISH Network formed Sling TV Holding, which was owned two-thirds by DISH Network and one-third by us. Sling TV Holding was formed to develop and commercialize certain advanced technologies. At that time, we, DISH Network and Sling TV Holding entered into the following agreements

with respect to Sling TV Holding: (i) a contribution agreement pursuant to which we and DISH Network contributed certain assets in exchange for our respective ownership interests in Sling TV Holding; (ii) a limited liability company operating agreement ("Operating Agreement"), which provided for the governance of Sling TV Holding; and (iii) a commercial agreement ("Commercial Agreement") pursuant to which, among other things, Sling TV Holding had: (a) certain rights and corresponding obligations with respect to its business; and (b) the right, but not the obligation, to receive certain services from us and DISH Network, respectively. Additionally, the spouse of Mr. Vivek Khemka, who was the President - EchoStar Technologies L.L.C. during portions of 2016 and through February 2017, was employed during 2016 as Vice President of Business Development and Operations of Sling TV Holding.

Effective August 2014, we and Sling TV Holding entered into an exchange agreement ("Exchange Agreement") pursuant to which, among other things, Sling TV Holding distributed certain assets to us and we reduced our interest in Sling TV Holding to a 10.0% non-voting interest. As a result, DISH Network had a 90.0% equity interest and a 100% voting interest in Sling TV Holding. In addition, we, DISH Network and Sling TV Holding amended and restated the Operating Agreement, primarily to reflect the changes implemented by the Exchange Agreement. Finally, we, DISH Network and Sling TV Holding amended and restated the Commercial Agreement, pursuant to which, among other things, Sling TV Holding: (1) had certain rights and corresponding obligations with respect to its business; (2) had the right, but not the obligation, to receive certain services from us and DISH Network; and (3) had a license from us to use certain of the assets distributed to us as part of the Exchange Agreement. Effective March 2017 following the consummation of the Share Exchange, we no longer hold our investment in Sling TV Holding. Effective March 2017 in connection with the Share Exchange, we and DISH Network terminated the Exchange Agreement and the Commercial Agreement and EchoStar has no further obligations and will earn no additional revenue under these agreements after February 2017.

Cost of sales — equipment and services and other — DISH Network

Remanufactured Receiver and Services Agreement. In connection with the Spin-off, one of our subsidiaries entered into a remanufactured receiver and services agreement with DISH Network pursuant to which we had the right, but not the obligation, to purchase remanufactured receivers and related components from DISH Network at cost plus a fixed margin, which varied depending on the nature of the equipment purchased. In November 2016, one of our subsidiaries and DISH Network amended this agreement to extend its term for one year through December 2017. This agreement was transferred to DISH Network as part of the Share Exchange and EchoStar has no further obligations and will incur no additional expenses under this agreement after February 2017.

General and administrative expenses — DISH Network

Amended and Restated Professional Services Agreement. In connection with the Spin-off, we entered into various agreements with DISH including the Transition Services Agreement, Satellite Procurement Agreement and Services Agreement, which all expired in January 2010 and were replaced by a Professional Services Agreement. In January 2010, we and DISH agreed that we shall continue to have the right, but not the obligation, to receive the following services from DISH Network, among others, certain of which were previously provided under the Transition Services Agreement: information technology, travel and event coordination, internal audit, legal, accounting and tax, benefits administration, program acquisition services and other support services. Mr. Vivek Khemka, who remained employed as DISH Network's Executive Vice President and Chief Technology Officer, provided services to us during portions of 2016 and through February 2017 pursuant to the Professional Services Agreement as President -- EchoStar Technologies L.L.C. Additionally, we and DISH agreed that DISH Network would continue to have the right, but not the obligation, to engage us to manage the process of procuring new satellite capacity for DISH Network (previously provided under the Satellite Procurement Agreement), receive logistics, procurement and quality assurance services from us (previously provided under the Services Agreement) and other support services. In connection with the consummation of the Share Exchange, we and DISH amended and restated the Professional Services Agreement to provide that we and DISH Network shall have the right to receive additional services that either we or DISH Network may require as a result of the Share Exchange. The term of the Amended and Restated Professional Services Agreement is through January 2018 and renews automatically for successive one-year periods thereafter, unless the agreement is terminated earlier by either party upon at least 60 days' notice. However, either party may terminate the Amended and Restated Professional Services Agreement in part with respect to any particular service it receives for any reason upon at least 30 days' notice.

Real Estate Leases from DISH Network. We have entered into lease agreements pursuant to which we lease certain real estate from DISH Network. The rent on a per square foot basis is comparable to per square foot rental rates of similar commercial

property in the same geographic area at the time of the leases, and for certain properties, we are responsible for our portion of the taxes, insurance, utilities and maintenance of the premises.

El Paso Lease Agreement. The lease for certain space at 1285 Joe Battle Blvd., El Paso, Texas, was for an initial period ending in August 2015, and provided us with renewal options for four consecutive three-year terms. Effective August 2015, we exercised our first renewal option for a period ending in August 2018.

90 Inverness Lease Agreement. In connection with the Share Exchange, effective March 2017 we lease from DISH Network certain space at 90 Inverness Circle East in Englewood, Colorado for a period ending in December 2022. EchoStar has the option to renew this lease for four three-year periods.

Cheyenne Lease Agreement. In connection with the Share Exchange, effective March 2017 we lease from DISH Network certain space at 530 EchoStar Drive in Cheyenne, Wyoming for a period ending in March 2019. EchoStar has the option to renew this lease for thirteen one-year periods.

Gilbert Lease Agreement. In connection with the Share Exchange, effective March 2017 we lease from DISH Network certain space at 801 N. DISH Dr. in Gilbert, Arizona for a period ending in March 2019. EchoStar has the option to renew this lease for thirteen one-year periods.

American Fork Occupancy License Agreement. In connection with the Share Exchange, effective March 2017, we sublease from DISH Network certain space at 796 East Utah Valley Drive in American Fork, Utah for a period ending in August 2017. We have exercised our option to renew this sublease for a five-year period ending in August 2022, subject to DISH Network's renewing its lease.

Employee Matters Agreement. Effective March 2017 in connection with the Share Exchange, we and DISH Network entered into an Employee Matters Agreement that addresses the transfer of employees from EchoStar to DISH Network, including certain benefit and compensation matters and the allocation of responsibility for employee related liabilities relating to current and past employees of the transferred businesses. DISH Network assumed employee-related liabilities relating to the transferred businesses as part of the Share Exchange, except that we are responsible for certain existing employee related litigation as well as certain pre-Share Exchange compensation and benefits for employees transferring to DISH Network in connection with the Share Exchange.

Collocation and Antenna Space Agreements. In connection with the Share Exchange, effective March 2017, we entered into certain agreements pursuant to which DISH Network will provide collocation and antenna space to EchoStar through March 2022 at the following locations: Cheyenne, Wyoming; Gilbert, Arizona; New Braunfels, Texas; Monee, Illinois; and Englewood, Colorado. EchoStar may renew each of these agreements for four three-year periods by providing DISH Network with prior written notice no more than 120 days but no less than 90 days prior to the end of the then-current term. EchoStar may terminate any of these agreements with 180 days' prior written notice. The fees for the services provided under these agreements depend on the number of racks leased at the location.

Other agreements — DISH Network

Share Exchange Agreement. On January 31, 2017, EchoStar Corporation and certain of its subsidiaries entered into the Share Exchange Agreement with DISH and certain of its subsidiaries, pursuant to which on February 28, 2017, EchoStar Corporation and its subsidiaries received all of the shares of the Tracking Stock in exchange for 100% of the equity interests of certain EchoStar subsidiaries that held substantially all of our EchoStar Technologies businesses and certain other assets. Following consummation of the Share Exchange on February 28, 2017, EchoStar no longer operates the transferred EchoStar Technologies businesses and the Tracking Stock was retired and is no longer outstanding and all agreements, arrangements and policy statements with respect to such Tracking Stock terminated and are of no further effect. Pursuant to the Share Exchange Agreement, EchoStar transferred certain assets, investments in joint ventures, spectrum licenses and real estate properties and DISH Network assumed certain liabilities relating to the transferred assets and businesses. The Share Exchange Agreement contains customary representations and warranties by the parties, including representations by EchoStar related to the transferred assets, assumed liabilities and the financial condition of the transferred businesses. EchoStar and DISH Network have also agreed to customary indemnification provisions whereby each party indemnifies the other against certain losses with respect to breaches of representations, warranties or covenants and certain liabilities and if certain actions undertaken by it causes the transaction to be taxable to the other party after closing. See Note 3 for further information.

Hughes Broadband Master Services Agreement. In March 2017, HNS and DISH Network L.L.C. ("DNLLC"), a wholly-owned subsidiary of DISH, entered into a master service agreement (the "MSA") pursuant to which DNLLC, among other things: (i) has the right, but not the obligation, to market, promote and solicit orders for the Hughes service and related equipment and (ii) will install Hughes service equipment with respect to activations generated by DNLLC. Under the MSA, HNS and DNLLC will make certain payments to each other relating to sales, purchases and installation services. The MSA has an initial term of five years with automatic renewal for successive one year terms. After the first anniversary, either party has the ability to terminate the MSA, in whole or in part, for any reason upon at least 90 days' notice to the other party. Upon expiration or termination of the MSA, HNS will continue to provide the Hughes service to subscribers and make certain payments to DNLLC pursuant to the terms and conditions of the MSA.

Intellectual Property Matters Agreement. We entered into an Intellectual Property Matters Agreement with DISH Network in connection with the Spin-off. The Intellectual Property Matters Agreement governed our relationship with DISH Network with respect to patents, trademarks and other intellectual property. Pursuant to the Intellectual Property Matters Agreement, DISH Network irrevocably assigned to us all right, title and interest in certain patents, trademarks and other intellectual property necessary for the operation of our set-top box business. In addition, the agreement permitted us to use, in the operation of our set-top box business, certain other intellectual property currently owned or licensed by DISH Network. In addition, DISH Network was prohibited from using the "EchoStar" name as a trademark, except in certain limited circumstances. Similarly, the Intellectual Property Matters Agreement provided that we would not make any use of the name or trademark "DISH Network" or any other trademark owned by DISH Network, except in certain circumstances. Effective March 2017 in connection with the Share Exchange, we and DISH Network terminated this agreement and EchoStar has no further obligations and will earn no additional revenue nor incur additional expenses under this agreement after February 2017.

Intellectual Property and Technology License Agreement. Effective March 2017 in connection with the Share Exchange, we and DISH Network entered into an Intellectual Property and Technology License Agreement ("IPTLA") pursuant to which we and DISH and their respective subsidiaries license to each other certain intellectual property and technology. The IPTLA will continue in perpetuity, unless mutually terminated by the parties. Pursuant to the IPTLA, we granted to DISH Network a license to our intellectual property and technology for use by DISH Network, among other things, in connection with its continued operation of the businesses acquired pursuant to the Share Exchange, including a limited license to use the "ECHOSTAR" trademark during a transition period. EchoStar retains full ownership of the "ECHOSTAR" trademark. In addition, DISH Network granted a license back to us, among other things, for the continued use of all intellectual property and technology that is used in our retained businesses but the ownership of which was transferred to DISH Network pursuant to the Share Exchange.

Tax Sharing Agreement. We and DISH Network entered into a tax sharing agreement in connection with the Spin-off. This agreement governs our respective rights, responsibilities and obligations after the Spin-off with respect to taxes for the periods ending on or before the Spin-off. Generally, all pre-Spin-off taxes, including any taxes that are incurred as a result of restructuring activities undertaken to implement the Spin-off, are borne by DISH Network, and DISH Network will indemnify us for such taxes. However, DISH Network is not liable for and will not indemnify us for any taxes that are incurred as a result of the Spin-off or certain related transactions failing to qualify as tax-free distributions pursuant to any provision of Section 355 or Section 361 of the Internal Revenue Code of 1986, as amended, because of: (i) a direct or indirect acquisition of any of our stock, stock options or assets; (ii) any action that we take or fail to take; or (iii) any action that we take that is inconsistent with the information and representations furnished to the IRS in connection with the request for the private letter ruling, or to counsel in connection with any opinion being delivered by counsel with respect to the Spin-off or certain related transactions. In such case, we will be solely liable for, and will indemnify DISH Network for, any resulting taxes, as well as any losses, claims and expenses. The tax sharing agreement will only terminate after the later of the full period of all applicable statutes of limitations, including extensions, or once all rights and obligations are fully effectuated or performed.

In light of the tax sharing agreement, among other things, and in connection with our consolidated federal income tax returns for certain tax years prior to and for the year of the Spin-off, in September 2013, we and DISH Network agreed upon a supplemental allocation of the tax benefits arising from certain tax items resolved in the course of the IRS's examination of our consolidated tax returns. Prior to the agreement with DISH Network, the federal tax benefits were reflected as a deferred tax asset for depreciation and amortization, which was netted in our noncurrent deferred tax liabilities. The agreement requires DISH Network to pay us the federal tax benefit it receives at such time as we would have otherwise been able to realize such tax benefit. We recorded a noncurrent receivable from DISH Network in "Other receivable — DISH Network" and a corresponding increase in our net noncurrent deferred tax liabilities to reflect the effects of this agreement in September 2013.

In addition, in September 2013, we and DISH Network agreed upon a tax sharing arrangement for filing certain combined state income tax returns and a method of allocating the respective tax liabilities between us and DISH Network for such combined returns, through the taxable period ending on December 31, 2017.

We and DISH Network file combined income tax returns in certain states. In 2016, we earned and recognized a tax benefit for certain state income tax credits that we would be unable to utilize currently if we had filed separately from DISH Network. DISH Network expects to utilize these tax credits to reduce its state income tax payable. We expect to increase additional paid-in capital upon receipt of any consideration paid to us by DISH Network in exchange for these tax credits.

Tax Matters Agreement. Effective March 2017, in connection with the Share Exchange, we and DISH entered into a tax matters agreement. This agreement governs certain of our rights, responsibilities and obligations with respect to taxes of the transferred businesses pursuant to the Share Exchange. Generally, we are responsible for all tax returns and tax liabilities for the transferred businesses and assets for periods prior to the Share Exchange and DISH Network is responsible for all tax returns and tax liabilities for the transferred businesses and assets from and after the Share Exchange. Both we and DISH Network have made certain tax-related representations and are subject to various tax-related covenants after the consummation of the Share Exchange. Both we and DISH Network have agreed to indemnify each other if there is a breach of any such tax representation or violation of any such tax covenant and that breach or violation results in the Share Exchange not qualifying for tax free treatment for the other party. In addition, DISH Network has agreed to indemnify us if the transferred businesses are acquired, either directly or indirectly (e.g., via an acquisition of DISH Network), by one or more persons and such acquisition results in the Share Exchange not qualifying for tax free treatment. The tax matters agreement supplements the Tax Sharing Agreement outlined above, which continues in full force and effect.

TiVo. In April 2011, we and DISH Network entered into a settlement agreement with TiVo, Inc. (“TiVo”). The settlement resolved all pending litigation between us and DISH Network, on the one hand, and TiVo, on the other hand, including litigation relating to alleged patent infringement involving certain DISH Network DVRs. Under the settlement agreement, all pending litigation was dismissed with prejudice and all injunctions that permanently restrain, enjoin or compel any action by us or DISH Network were dissolved. We and DISH Network were jointly responsible for making payments to TiVo in the aggregate amount of $500.0 million, including an initial payment of $300.0 million and the remaining $200.0 million in six equal annual installments between 2012 and 2017. Pursuant to the terms and conditions of the agreements entered into in connection with the Spin-off, DISH Network made the initial payment to TiVo in May 2011, except for the contribution from us totaling approximately $10.0 million, representing an allocation of liability relating to our sales of DVR-enabled receivers to an international customer. Subsequent payments were allocated between us and DISH Network based on historical sales of certain licensed products, with EchoStar being responsible for 5% of each annual payment. Effective March 2017, in connection with the Share Exchange, EchoStar has no further obligations and will incur no additional costs under this settlement agreement after February 2017.

Sling Trademark License Agreement. In December 2014, Sling TV Holding entered into an agreement with Sling Media, Inc., our subsidiary, pursuant to which Sling TV Holding had the right, for a fixed fee, to use certain trademarks, domain names and other intellectual property related to the “Sling” trademark. In December 2016, Sling TV Holding and Sling Media, Inc. amended this agreement to extend the term thereof on a month-to-month basis. This agreement was transferred to DISH Network as part of the Share Exchange and EchoStar has no further obligations and will earn no additional revenue under this agreement after February 2017.

gTLD Bidding Agreement. In April 2015, we and DISH Network entered into a gTLD Bidding Agreement whereby, among other things: (i) DISH Network obtained rights from us to participate in a generic top level domain (“gTLD”) auction, assuming all rights and obligations from us related to our application with the Internet Corporation for Assigned Names and Numbers (“ICANN”) for a particular gTLD; (ii) DISH Network agreed to reimburse us for our ICANN application fee and certain out-of-pocket expenses related to the application and the auction; and (iii) we and DISH Network agreed to split equally the net proceeds obtained by DISH Network as the losing bidder in the auction, less such fee reimbursement and out-of-pocket expenses.

Patent Cross-License Agreements. In December 2011, we and DISH Network entered into separate patent cross-license agreements with the same third party whereby: (i) we and such third party licensed our respective patents to each other subject to certain conditions; and (ii) DISH Network and such third party licensed their respective patents to each other subject to certain conditions (each, a “Cross-License Agreement”). Each Cross-License Agreement covers patents acquired by the respective party prior to January 2017 and aggregate payments under both Cross-License Agreements total less than

$10.0 million. Each Cross-License Agreement contained an option to extend each Cross-License Agreement to include patents acquired by the respective party prior to January 2022. In December 2016, both we and DISH Network exercised our renewal options, resulting in aggregate additional payments to such third party totaling less than $3.0 million. Since the aggregate payments under both Cross-License Agreements were based on the combined annual revenue of us and DISH Network, we and DISH Network agreed to allocate our respective payments to such third party based on our respective percentage of combined total revenue.

Caltech. On October 1, 2013, Caltech Institute of Technology ("Caltech") filed complaints against two of our subsidiaries, Hughes Communications, Inc. and HNS, as well as against DISH and certain of its subsidiaries, in the United States District Court for the Central District of California alleging infringement of United States Patent Nos. 7,116,710; 7,421,032; 7,916,781; and 8,284,833, each of which is entitled "Serial Concatenation of Interleaved Convolutional Codes forming Turbo-Like Codes." Caltech asserted that encoding data as specified by the DVB-S2 standard infringed each of the asserted patents. Caltech claimed that certain of our Hughes segment's satellite broadband products and services, infringed the asserted patents by implementing the DVB-S2 standard. Pursuant to a settlement agreement among us, DISH and Caltech, in May 2016, Caltech dismissed with prejudice all of its claims in these actions.

Orange, NJ. In October 2016, we and DISH Network sold two parcels of real estate owned separately by us and DISH Network in Orange, NJ to a third party pursuant to a purchase and sale agreement. Pursuant to the agreement, we and DISH Network separately received our respective payments from the buyer.

Invidi. In November 2010 and April 2011, we made investments in Invidi Technologies Corporation ("Invidi") in exchange for shares of Invidi's Series D Preferred Stock. In November 2016, DIRECTV, LLC, a wholly owned indirect subsidiary of AT&T Inc., DISH Network and Cavendish Square Holding B.V., an affiliate of WPP plc, entered into a series of agreements to acquire Invidi. As a result of the transaction, we sold our ownership interest in Invidi on the same terms offered to the other shareholders of Invidi. The transaction closed in January 2017.

Other Agreements

Hughes Systique Corporation ("Hughes Systique")

We contract with Hughes Systique for software development services. In 2008, Hughes Communications, Inc. loaned $1.5 million to Hughes Systique pursuant to a term loan facility. The initial interest rate on the outstanding loans was 6%, payable annually, and the accrued and unpaid interest was added to the principal amount outstanding under the loan facility in certain circumstances. The loans were convertible into shares of Hughes Systique upon non-payment or an event of default. In May 2014, we amended the term loan facility to increase the interest rate from 6% to 8%, payable annually, to reflect then-current market conditions and extend the maturity date of the loans to May 1, 2015, and in April 2015, we extended the maturity date of the loans to May 1, 2016 on the same terms. In 2015, Hughes Systique repaid $1.5 million of the outstanding principal of the loan facility. In 2016, Hughes Systique repaid $0.6 million of the outstanding principal of the loan facility. As of June 30, 2017, the principal amount outstanding of the loan facility was zero. In addition to our 43.8% ownership in Hughes Systique, Mr. Pradman Kaul, the President of Hughes Communications, Inc. and a member of our board of directors, and his brother, who is the CEO and President of Hughes Systique, in the aggregate, own approximately 25.7%, on an undiluted basis, of Hughes Systique's outstanding shares as of June 30, 2017. Furthermore, Mr. Pradman Kaul serves on the board of directors of Hughes Systique. Hughes Systique is a variable interest entity and we are considered the primary beneficiary of Hughes Systique due to, among other factors, our ability to direct the activities that most significantly impact the economic performance of Hughes Systique. As a result, we consolidate Hughes Systique's financial statements in our condensed consolidated financial statements.

NagraStar L.L.C.

Prior to March 2017, we owned 50.0% of NagraStar L.L.C. ("NagraStar"), a joint venture that was the primary provider of encryption and related security technology used in the set-top boxes produced by our former EchoStar Technologies segment. We accounted for our investment in NagraStar using the equity method. Following the consummation of the Share Exchange, we no longer hold this investment in NagraStar.

Dish Mexico

We own 49.0% of an entity that provides direct-to-home satellite services in Mexico known as Dish Mexico. We provide certain satellite services to Dish Mexico and prior to the Share Exchange we also provided certain broadcast services and sold hardware such as digital set-top boxes and related equipment to Dish Mexico. We recognized revenue from sales of services we provided to Dish Mexico in continuing operations of approximately $5.8 million for each of the three months ended June 30, 2017 and 2016 and $11.7 million for each of the six months ended June 30, 2017 and 2016. As of June 30, 2017 and December 31, 2016, we had trade accounts receivable from continuing operations from Dish Mexico of approximately $7.8 million and $10.7 million, respectively.

Deluxe/EchoStar LLC

We own 50.0% of Deluxe/EchoStar LLC (“Deluxe”), a joint venture that we entered into in 2010 to build an advanced digital cinema satellite distribution network targeting delivery to digitally equipped theaters in the U.S. and Canada. We account for our investment in Deluxe using the equity method. We recognized revenue from Deluxe for transponder services and the sale of broadband equipment of approximately $1.1 million and $0.7 million for the three months ended June 30, 2017 and 2016, respectively, and $2.4 million and $1.3 million for the six months ended June 30, 2017 and 2016, respectively. As of June 30, 2017 and December 31, 2016, we had trade accounts receivable from Deluxe of approximately $0.8 million and $0.7 million, respectively.

SmarDTV

In May 2015, we acquired a 22.5% interest in SmarDTV, which we accounted for using the equity method. Pursuant to our agreements with SmarDTV and its subsidiaries, our former EchoStar Technologies segment purchased engineering services from and paid royalties to SmarDTV and its subsidiaries. Following the consummation of the Share Exchange, we no longer own our interest in the equity and subordinated debt of SmarDTV and no longer purchase engineering services from SmarDTV.

AsiaSat

We contract with AsiaSat Telecommunications Inc. (“AsiaSat”) for the use of transponder capacity on one of AsiaSat's satellites. Mr. William David Wade, a member of our board of directors, served as the Chief Executive Officer of AsiaSat in 2016 and as a senior advisor to the CEO of AsiaSat through March 2017. We incurred expenses payable to AsiaSat under this agreement of approximately $0.1 million and $0.3 million for the three months ended June 30, 2017 and 2016, respectively, and $0.1 million and $0.7 million for the six months ended June 30, 2017 and 2016, respectively.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless the context indicates otherwise, as used herein, the terms "we," "us," "EchoStar," the "Company" and "our" refer to EchoStar Corporation and its subsidiaries. References to "$" are to United States dollars. The following management's discussion and analysis of our financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements and notes to our financial statements included elsewhere in this Quarterly Report on Form 10-Q. This management's discussion and analysis is intended to help provide an understanding of our financial condition, changes in our financial condition and our results of operations. Many of the statements in this management's discussion and analysis are forward-looking statements that involve assumptions and are subject to risks and uncertainties that are often difficult to predict and beyond our control. Actual results could differ materially from those expressed or implied by such forward-looking statements. See "Disclosure Regarding Forward-Looking Statements" in this Quarterly Report on Form 10-Q for further discussion. For a discussion of additional risks, uncertainties and other factors that could impact our results of operations or financial condition, see the caption "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q and in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2016. Further, such forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q and we undertake no obligation to update them.

EXECUTIVE SUMMARY

EchoStar is a global provider of satellite service operations, video delivery solutions, broadband satellite technologies and broadband services for home and small office customers. We deliver innovative network technologies, managed services, and various communications solutions for enterprise and government customers.

Prior to March 2017, we operated in three primary business segments, Hughes, EchoStar Technologies and ESS. On January 31, 2017, EchoStar Corporation and certain of its subsidiaries entered into a Share Exchange Agreement (the "Share Exchange Agreement") with DISH Network Corporation ("DISH") and certain of its subsidiaries. Pursuant to the Share Exchange Agreement, on February 28, 2017, among other things, EchoStar Corporation and certain of its subsidiaries received all of the shares of the Hughes Retail Preferred Tracking Stock issued by EchoStar Corporation (the "EchoStar Tracking Stock") and the Hughes Retail Preferred Tracking Stock issued by Hughes Satellite Systems Corporation ("HSS") (the "HSS Tracking Stock", together with the EchoStar Tracking Stock, the "Tracking Stock") in exchange for 100% of the equity interests of certain EchoStar subsidiaries that held substantially all of our EchoStar Technologies businesses and certain other assets (collectively, the "Share Exchange"). Following consummation of the Share Exchange, EchoStar no longer operates the EchoStar Technologies business segment and the EchoStar Tracking Stock and HSS Tracking Stock were retired and are no longer outstanding and all agreements, arrangements and policy statements with respect to such tracking stock terminated and are of no further effect. As a result of the Share Exchange, the condensed consolidated financial statements of the EchoStar Technologies businesses have been presented as discontinued operations and, as such, have been excluded from continuing operations and segment results for all periods presented. See Note 3 in the notes to condensed consolidated financial statements in Item 1 of this report for further discussion of our discontinued operations.

As a consequence, we currently operate in two business segments, which are differentiated primarily by their operational focus: Hughes and EchoStar Satellite Services ("ESS"). These segments are consistent with the way decisions regarding the allocation of resources are made, as well as how operating results are reviewed by our chief operating decision maker ("CODM"), who for EchoStar is the Company's Chief Executive Officer.

In addition, as of March 2017, we also changed our overhead allocation methodology used in our segment disclosures to reflect how the CODM evaluates our segments. Historically, the costs of all corporate functions were included on an allocated basis in each of the business segments' EBITDA. Under the revised allocation methodology, these costs are now reported and analyzed as part of "Corporate and Other" (previously "All Other and Eliminations"). Our prior period segment EBITDA disclosures have been restated to reflect this change.

Our operations also include various corporate departments (primarily Executive, Strategic Development, Human Resources, IT, Finance, Real Estate and Legal) as well as other activities that have not been assigned to our operating segments, including costs incurred in certain satellite development programs and other business development activities, our centralized treasury operations, and gains (losses) from certain of our investments. These activities are accounted for in "Corporate and Other."

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Highlights from our financial results are as follows:

2017 Second Quarter Consolidated Results of Operations

- Revenue of $465.1 million
- Operating income of $45.9 million
- Net income from continuing operations of $6.6 million
- Net income attributable to EchoStar common stock of $6.9 million and basic earnings per share of common stock of $0.07
- EBITDA of $184.9 million (see reconciliation of this non-GAAP measure on page 48)

Consolidated Financial Condition as of June 30, 2017

- Total assets of $8.74 billion
- Total liabilities of $4.89 billion
- Total stockholders' equity of $3.85 billion
- Cash, cash equivalents and current marketable investment securities of $3.27 billion

Hughes Segment

Our Hughes segment is a global provider of broadband satellite technologies and broadband services for home and small office customers. We deliver network technologies, managed services, equipment, and communications solutions for domestic and international consumers and enterprise and government customers. In addition, our Hughes segment provides and installs gateway and terminal equipment and provides satellite ground segment systems and terminals for other satellite systems, including mobile system operators.

We continue to focus our efforts on growing our Hughes segment consumer revenue by maximizing utilization of our existing satellites while planning for new satellites to be launched. Our consumer revenue growth depends on our success in adding new subscribers and driving higher average revenue per subscriber across our wholesale and retail channels.

Our Hughes segment currently uses three satellites, the SPACEWAY 3 satellite, the EchoStar XVII satellite, and the EchoStar XIX satellite, and additional satellite capacity acquired from multiple third-party providers, to provide satellite broadband internet access and communications services to our customers. In December 2016, we launched our EchoStar XIX satellite, a next-generation, high throughput geostationary satellite, which provides significant capacity for continued subscriber growth. The EchoStar XIX satellite employs a multi-spot beam, bent pipe Ka-band architecture and provides additional capacity for the Hughes broadband services to our customers in North America and added capacity in certain Central and South American countries and has added capability for aeronautical, enterprise and international broadband services. We expect to launch our consumer satellite broadband service in Colombia in the second half of 2017 followed by service in other Central and South American countries.

In August 2017, we entered into a contract for the design and construction of a new, next-generation, high throughput geostationary satellite, with a planned 2021 launch, that is primarily intended to provide additional capacity for our HughesNet service in North, Central and South America as well as aeronautical and enterprise services. Capital expenditures associated with the construction and launch of this satellite will be included in "Corporate and Other" in our segment reporting.

In March 2017, our wholly-owned subsidiary, Hughes Network Systems, L.L.C. and DISH Network L.L.C. ("DNLLC"), a wholly-owned subsidiary of DISH, entered into a master service agreement (the "MSA") pursuant to which DNLLC, among other things: (i) has the right, but not the obligation, to market, promote and solicit orders for the Hughes satellite internet service and related equipment and (ii) will install Hughes service equipment with respect to activations generated by DNLLC. As a result of the MSA we do not expect to earn significant equipment revenue from our Distribution Agreement with dishNET Satellite Broadband L.L.C. ("dishNET") in the future and we expect our subscriber acquisition costs to increase in future periods.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

In addition to our broadband consumer service offerings, our Hughes segment also provides network technologies, managed services, hardware, equipment and satellite services to large enterprise and government customers globally. Examples of such customers include lottery agencies, gas station operators and companies with multi-branch networks that rely on satellite or terrestrial networks for critical communication across wide geographies. Most of our enterprise customers have contracts with us for the services they purchase.

Developments toward the launch of next-generation satellite systems including low-earth orbit ("LEO") and geostationary systems could provide additional opportunities to drive the demand for our network equipment and services. The growth of our enterprise and equipment businesses relies heavily on global economic conditions and the competitive landscape for pricing relative to competitors and alternative technologies.

We continue our efforts to grow our consumer satellite services business outside of the U.S. In April 2014, we entered into a satellite services agreement pursuant to which Eutelsat do Brasil provides us Ka-band capacity into Brazil on the EUTELSAT 65 West A satellite for a 15-year term. That satellite was launched in March 2016 and we began delivering high-speed consumer satellite broadband services in Brazil in July 2016. In September 2015, we entered into satellite services agreements pursuant to which affiliates of Telesat Canada ("Telesat") will provide to us the Ka-band capacity on a satellite to be located at the 63 degree west longitude orbital location ("63 West") for a 15-year term. We expect the satellite to be launched in the second quarter of 2018 and plan to provide service in additional markets across South America once that capacity is available for commercial use.

As of June 30, 2017 and December 31, 2016, our Hughes segment had approximately 1,085,000 and 1,036,000 broadband subscribers, respectively. These broadband subscribers include customers that subscribe to our HughesNet broadband services through retail, wholesale and small/medium enterprise service channels. Gross subscriber additions increased by approximately 39,000 in the second quarter of 2017 compared to the first quarter of 2017 primarily due to an increase in new subscribers in our retail channel as a result of the launch of the EchoStar XIX satellite, which was placed into service in March 2017. The increase was partially offset by a decrease in additions from our wholesale channel. Our average monthly subscriber churn percentage for the second quarter of 2017 increased compared to the first quarter of 2017. As a result of higher gross subscriber additions and higher churn, total net subscriber additions were approximately 41,000 for the quarter ended June 30, 2017 compared to approximately 7,000 for the first quarter of 2017. Subscriber additions and churn include only subscribers through our retail and wholesale channels.

As of June 30, 2017 and December 31, 2016, our Hughes segment had approximately $1.59 billion and $1.52 billion, respectively, of contracted revenue backlog. We define Hughes contracted revenue backlog as our expected future revenue under customer contracts that are non-cancelable, excluding agreements with customers in our consumer market.

EchoStar Satellite Services Segment

Our ESS segment is a global provider of satellite service operations and video delivery solutions. We operate our business using our owned and leased in-orbit satellites. We provide satellite services on a full-time and occasional-use basis primarily to DISH Network Corporation and its subsidiaries ("DISH Network"), Dish Mexico, S. de R.L. de C.V., a joint venture we entered into in 2008 ("Dish Mexico"), United States ("U.S.") government service providers, internet service providers, broadcast news organizations, programmers, and private enterprise customers. We also manage satellite operations for certain satellites owned by DISH Network.

We depend on DISH Network for a significant portion of the revenue for our ESS segment, and we expect that DISH Network will continue to be the primary source of revenue for our ESS segment. Therefore, the results of operations of our ESS segment are linked to changes in DISH Network's satellite capacity requirements. DISH Network's capacity requirements have been driven by the addition of new channels and migration of programming to high-definition TV and video on demand services. The services that we provide to DISH Network are critical to its nationwide delivery of content to its customers across the U.S. While we expect to continue to provide satellite services to DISH Network, its satellite capacity requirements may change for a variety of reasons, including its ability to construct and launch its own satellites. Any termination or reduction in the services we provide to DISH Network may cause us to have unused capacity on our satellites and require that we aggressively pursue alternative sources of revenue for this business.

In August 2014, we entered into: (i) a construction contract with Airbus Defence and Space SAS for the construction of the EchoStar 105/SES-11 satellite with C-band, Ku-band and Ka-band payloads; (ii) an agreement with SES Satellite Leasing

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Limited for the procurement of the related launch services; and (iii) an agreement with SES Americom Inc. ("SES") pursuant to which we will transfer the title to the C-band and Ka-band payloads to SES Satellite Leasing Limited at launch and transfer the title to the Ku-band payload to SES following in-orbit testing of the satellite. Simultaneously, SES will provide to us satellite service on the entire Ku-band payload on the EchoStar 105/SES-11 satellite for an initial ten-year term, with an option for us to renew the agreement on a year-to-year basis. Due to anomalies experienced by our launch provider, the expected launch date of the EchoStar 105/SES-11 satellite has been delayed. We currently expect to launch the EchoStar 105/SES-11 satellite in the fourth quarter of 2017. Our Ku-band payload on the EchoStar 105/SES-11 satellite will replace and augment our current capacity on the AMC-15 satellite. As a result of this launch delay, we have incurred and expect to incur additional costs related to the lease of the AMC-15 satellite.

Revenue growth in our ESS segment depends largely on our ability to continuously make additional satellite capacity available for sale. Once the EchoStar 105/SES-11 satellite is launched and placed into operation, we expect periodic revenue from the satellite to exceed the amount currently generated by the AMC-15 satellite. As a result of the launch delay, we expect a delay in revenue generated from the EchoStar 105/SES-11 satellite.

We continue to pursue expanding our business offerings by providing value added services such as telemetry, tracking, and control services to third parties, which leverages the ground monitoring networks and personnel currently within our ESS segment.

As of June 30, 2017 and December 31, 2016, our ESS segment had contracted revenue backlog attributable to satellites currently in orbit of approximately $1.35 billion and $1.16 billion, respectively.

New Business Opportunities

Our industry is evolving with the increase in worldwide demand for broadband internet access for information, entertainment and commerce. In addition to fiber and wireless systems, other technologies such as geostationary high throughput satellites, LEO networks, balloons, and High Altitude Platform Systems have begun to play significant roles in enabling global broadband access, networks and services. We intend to use our expertise, technologies, capital, investments, global presence, relationships and other capabilities to continue to provide broadband internet systems, equipment, networks and services for information, entertainment and commerce in North America and internationally for consumers, enterprises and governments.

We continue to selectively explore opportunities to pursue partnerships, joint ventures and strategic acquisitions, domestically and internationally, that we believe may allow us to increase our existing market share, expand into new markets and new customers, broaden our portfolio of services, products and intellectual property, and strengthen our relationships with our customers. We may allocate significant resources for long-term initiatives that may not have a short or medium-term or any positive impact on our revenue, results of operations, or cash flow.

In 2012, we acquired the right to use various frequencies at the 45 degree west longitude orbital location ("Brazilian Authorization") from ANATEL, the Brazilian communications regulatory agency. The Brazilian Authorization provides us the rights to utilize Ku-band spectrum, Ka-band spectrum and S-band spectrum. We are exploring options for the Ka-band and S-band spectrums. In April 2014, we entered into an agreement with Space Systems Loral, LLC ("SS/L") for the construction of the EchoStar XXIII satellite, a high powered broadcast satellite service ("BSS") satellite. The EchoStar XXIII satellite was launched in March 2017 and placed into service at the 45 degree west longitude orbital location in the second quarter of 2017. We have regulatory obligations to meet certain in-service milestones by the second quarter of 2017 for our Brazilian license at 45 degree west longitude orbital location for the Ka-, Ku- and S-band frequency bands. We have met our regulatory milestone for the Ku-band. We have sought an extension of the S- and Ka-band milestones, which may or may not be granted, and, if granted, may be subject to additional conditions, penalties or other requirements.

In December 2013, we acquired 100% of Solaris Mobile, which is based in Dublin, Ireland and licensed by the European Union and its member states ("EU") to provide mobile satellite services ("MSS") and complementary ground component ("CGC") services covering the entire EU using S-band spectrum. Solaris Mobile changed its name to EchoStar Mobile Limited ("EchoStar Mobile") in the first quarter of 2015. We are in the process of developing commercial services utilizing the operable payload we own on the EUTELSAT 10A satellite, along with our EchoStar XXI S-band satellite. The EchoStar XXI satellite will provide space segment capacity to EchoStar Mobile in the EU. We believe we are in a unique position to deploy a European wide MSS/CGC network and maximize the long-term value of our S-band spectrum in Europe and other regions

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

within the scope of our licenses. The EchoStar XXI satellite launched in June 2017 and is anticipated to be placed in service in late 2017.

We are tracking closely the developments in next-generation satellite businesses, and we are seeking to utilize our services, technologies and expertise to find new commercial opportunities for our business. In June 2015, we made an equity investment in WorldVu Satellites Limited ("OneWeb"), a global LEO satellite service company. In addition, our Hughes segment entered into an agreement with OneWeb to provide certain equipment and services in connection with the ground systems for OneWeb's LEO satellites.

Capital expenditures associated with the construction and launch of the EchoStar XXIII and EchoStar XXI satellites are included in "Corporate and Other" in our segment reporting.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

RESULTS OF OPERATIONS

Three Months Ended June 30, 2017 Compared to the Three Months Ended June 30, 2016

	For the Three Months Ended June 30,		Variance	
Statements of Operations Data (1)	**2017**	**2016**	**Amount**	**%**
	(Dollars in thousands)			
Revenue:				
Services and other revenue - DISH Network	$ 113,734	$ 115,864	$ (2,130)	(1.8)
Services and other revenue - other	285,053	273,972	11,081	4.0
Equipment revenue - DISH Network	18	2,101	(2,083)	(99.1)
Equipment revenue - other	66,271	50,721	15,550	30.7
Total revenue	465,076	442,658	22,418	5.1
Costs and Expenses:				
Cost of sales - services and other	134,024	127,766	6,258	4.9
% of Total services and other revenue	**33.6%**	**32.8%**		
Cost of sales - equipment	57,865	46,545	11,320	24.3
% of Total equipment revenue	**87.3%**	**88.1%**		
Selling, general and administrative expenses	89,826	79,237	10,589	13.4
% of Total revenue	**19.3%**	**17.9%**		
Research and development expenses	7,437	7,562	(125)	(1.7)
% of Total revenue	**1.6%**	**1.7%**		
Depreciation and amortization	130,034	106,117	23,917	22.5
Total costs and expenses	419,186	367,227	51,959	14.1
Operating income	45,890	75,431	(29,541)	(39.2)
Other Income (Expense):				
Interest income	10,039	3,502	6,537	*
Interest expense, net of amounts capitalized	(55,456)	(19,889)	(35,567)	*
Gains and impairment on investment, net	1,837	5,487	(3,650)	(66.5)
Equity in earnings of unconsolidated affiliates, net	4,831	5,626	(795)	(14.1)
Other, net	2,453	(2,212)	4,665	*
Total other expense, net	(36,296)	(7,486)	(28,810)	*
Income from continuing operations before income taxes	9,594	67,945	(58,351)	(85.9)
Income tax provision	(3,003)	(23,692)	20,689	(87.3)
Net income from continuing operations	6,591	44,253	(37,662)	(85.1)
Net income from discontinued operations	531	11,656	(11,125)	(95.4)
Net income	7,122	55,909	(48,787)	(87.3)
Less: Net loss attributable to noncontrolling interest in HSS Tracking Stock	—	(188)	188	(100.0)
Less: Net income attributable to other noncontrolling interests	182	311	(129)	(41.5)
Net income attributable to EchoStar	$ 6,940	$ 55,786	$ (48,846)	(87.6)
Other Data:				
EBITDA (2)	$ 184,863	$ 190,326	$ (5,463)	(2.9)
Subscribers, end of period	1,085,000	1,030,000	55,000	5.3

* Percentage is not meaningful.

(1) An explanation of our key metrics is included on pages 59 and 60 under the heading "Explanation of Key Metrics and Other Items."

(2) A reconciliation of EBITDA to "Net income," the most directly comparable GAAP measure in the accompanying financial statements, is included on page 48. For further information on our use of EBITDA see "Explanation of Key Metrics and Other Items" on page 60.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Services and other revenue - ***DISH Network***. "Services and other revenue - DISH Network" totaled $113.7 million for the three months ended June 30, 2017, a decrease of $2.1 million or 1.8%, compared to the same period in 2016.

Services and other revenue - DISH Network from our Hughes segment for the three months ended June 30, 2017 decreased by $2.8 million, or 11.4%, to $22.1 million compared to the same period in 2016. The decrease was primarily attributable to a decrease in wholesale subscribers.

Services and other revenue - DISH Network from Corporate and Other for the three months ended June 30, 2017 increased by $1.0 million, or 27.1%, to $4.7 million compared to the same period in 2016. The increase was primarily attributable to an increase in rental income relating to certain lease agreements pursuant to which DISH Network leases certain real estate from us.

Services and other revenue - ***other***. "Services and other revenue - other" totaled $285.1 million for the three months ended June 30, 2017, an increase of $11.1 million or 4.0%, compared to the same period in 2016.

Services and other revenue - other from our Hughes segment for the three months ended June 30, 2017 increased by $13.5 million, or 5.2%, to $274.3 million compared to the same period in 2016. The increase was primarily attributable to increases in sales of broadband services to our domestic and international consumers of $13.4 million, domestic enterprise customers of $1.3 million and telecom systems customers of $1.3 million, partially offset by a decrease of $2.2 million to our international enterprise customers.

Services and other revenue - other from our ESS segment for the three months ended June 30, 2017 decreased by $2.8 million, or 19.5%, to $11.5 million compared to the same period in 2016. The decrease was primarily attributable to a decrease in sales of transponder services due to expired service contracts.

Equipment revenue - ***DISH Network.*** "Equipment revenue - DISH Network" totaled $18.0 thousand for the three months ended June 30, 2017, a decrease of $2.1 million or 99.1%, compared to the same period in 2016 primarily from our Hughes segment. The decrease in revenue was primarily due to the decrease in unit sales of broadband equipment to dishNET as a result of the MSA. See Note 16 in the notes to condensed consolidated financial statements in Item 1 of this report for additional information about the MSA.

Equipment revenue - ***other.*** "Equipment revenue - other" totaled $66.3 million for the three months ended June 30, 2017, an increase of $15.6 million or 30.7%, compared to the same period in 2016 primarily from our Hughes segment. The increase was primarily due to an increase in sales of broadband equipment to our domestic and international consumers and domestic enterprise customers.

Cost of sales - ***services and other***. "Cost of sales - services and other" totaled $134.0 million for the three months ended June 30, 2017, an increase of $6.3 million or 4.9%, compared to the same period in 2016.

Cost of sales - services and other from our Hughes segment for the three months ended June 30, 2017 increased by $5.0 million, or 4.5%, to $116.5 million compared to the same period in 2016. The increase was primarily attributable to an increase in the costs of broadband services provided to our domestic and international consumers as a result of the increase in sales of broadband services.

Cost of sales - services and other from our ESS segment for the three months ended June 30, 2017 increased by $1.2 million, or 7.7%, to $16.7 million compared to the same period in 2016. The increase was primarily due to rental expenses for the lease of certain real estate from DISH Network in 2017.

Cost of sales - ***equipment.*** "Cost of sales - equipment" totaled $57.9 million for the three months ended June 30, 2017, an increase of $11.3 million or 24.3%, compared to the same period in 2016 primarily from our Hughes segment. The increase was primarily attributable to an increase of $14.1 million in equipment costs related to the increase in sales to our domestic and international consumers and domestic enterprise customers. The increase was partially offset by a decrease of $3.4 million in equipment costs related to the decrease in sales to dishNET and telecom systems customers.

Selling, general and administrative expenses. "Selling, general and administrative expenses" totaled $89.8 million for the three months ended June 30, 2017, an increase of $10.6 million or 13.4%, compared to the same period in 2016. The increase

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

was primarily due to an increase of $12.4 million in marketing and promotional costs primarily attributable to our domestic and international consumer broadband sales in our Hughes segment, partially offset by a decrease of $1.8 million in general and administrative expenses. As a result of the MSA, we expect our subscriber acquisition costs to increase in future periods. See Note 16 in the notes to condensed consolidated financial statements in Item 1 of this report for additional information about the MSA.

Research and development expenses. "Research and development expenses" totaled $7.4 million for the three months ended June 30, 2017, a decrease of $0.1 million or 1.7%, compared to the same period in 2016. Our research and development activities vary based on the activity level and scope of other engineering and customer related development contracts.

Depreciation and amortization. "Depreciation and amortization" expenses totaled $130.0 million for the three months ended June 30, 2017, an increase of $23.9 million or 22.5%, compared to the same period in 2016. The increase was primarily related to an increase in depreciation expense of the EchoStar XIX and EchoStar XXIII satellites that were placed into service in the first and second quarters of 2017, respectively, an increase in depreciation expense of customer rental equipment, and an increase in depreciation expense relating to machinery and equipment in 2017.

Interest income. "Interest income" totaled $10.0 million for the three months ended June 30, 2017, an increase of $6.5 million compared to the same period in 2016. The increase was primarily attributable to the increase in our marketable investments due to the issuance of long-term debt in the third quarter of 2016.

Interest expense, net of amounts capitalized. "Interest expense, net of amounts capitalized" totaled $55.5 million for the three months ended June 30, 2017, an increase of $35.6 million, compared to the same period in 2016. The increase was primarily due to an increase of $22.3 million in interest expense relating to the issuance of 5.250% Senior Secured Notes due 2026 (the "2026 Senior Secured Notes") and 6.625% Senior Unsecured Notes due 2026 (the "2026 Senior Unsecured Notes" and together with 2026 Senior Secured Notes, the "2026 Notes") in the third quarter of 2016 and a decrease of $13.1 million in capitalized interest relating to the EchoStar XIX and EchoStar XXIII satellites that were placed into service in the first and second quarters of 2017, respectively.

Gains and impairment on investments, net. "Gains and impairment on investments, net" totaled $1.8 million in gains for the three months ended June 30, 2017, a decrease of $3.7 million or 66.5%, compared to the same period in 2016. The decrease in gains was primarily due to $3.3 million in realized gains on our securities classified as available-for-sale in 2016 and a decrease of $0.5 million in gains on our trading securities in 2017.

Equity in earnings of unconsolidated affiliates, net. "Equity in earnings of unconsolidated affiliates, net" totaled $4.8 million in earnings for the three months ended June 30, 2017, a decrease of $0.8 million or 14.1%, compared to the same period in 2016. The decrease was primarily related to a decrease in earnings from our investments in Deluxe/EchoStar LLC and Dish Mexico.

Other, net. "Other, net" totaled $2.5 million in income for the three months ended June 30, 2017 compared to $2.2 million in expenses for the three months ended June 30, 2016. The change of $4.7 million in income was primarily related to a non-recurring dividend of $3.5 million received from a strategic equity investment in 2017 and $1.4 million in a protective put associated with our trading securities in the second quarter of 2016.

Income tax provision. Income tax expense was $3.0 million for the three months ended June 30, 2017, a decrease of $20.7 million or 87.3%, compared to the same period in 2016. Our effective income tax rate was 31.3% and 34.9% for the three months ended June 30, 2017 and 2016, respectively. The variations in our current year effective tax rate from the U.S. federal statutory rate for the three months ended June 30, 2017 was primarily due to various permanent tax differences. The variations in our effective tax rate from the U.S. federal statutory rate for the three months ended June 30, 2016 was primarily due to research and experimentation credits, partially offset by state and local taxes.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Net income attributable to EchoStar. "Net income attributable to EchoStar" was $6.9 million for the three months ended June 30, 2017, a decrease of $48.8 million or 87.6%, compared to the same period in 2016. The decrease was primarily due to (i) a decrease in operating income, including depreciation and amortization, of $29.5 million, (ii) an increase of $22.3 million in interest expense related to the issuance of the 2026 Notes in the third quarter of 2016, (iii) a decrease of $13.1 million in capitalized interest relating to the EchoStar XIX and EchoStar XXIII satellites that were placed into service in the first and second quarters of 2017, respectively, (iv) a decrease of $11.1 million in net income from discontinuing operations in 2017 and (v) $3.3 million in realized gains on our securities classified as available-for-sale in 2016. The decrease was partially offset by (i) a decrease in income tax expense of $20.7 million, (ii) an increase of $6.5 million in interest income, and (iii) a non-recurring dividend of $3.5 million received from a strategic equity investment in 2017.

Earnings before interest, taxes, depreciation and amortization ("EBITDA"). EBITDA was $184.9 million for the three months ended June 30, 2017, a decrease of $5.5 million or 2.9%, compared to the same period in 2016. The decrease was primarily due to a decrease in operating income, excluding depreciation and amortization, of $5.6 million for the three months ended June 30, 2017 and a $3.3 million in realized gains on our securities classified as available-for-sale in 2016, partially offset by a non-recurring dividend of $3.5 million received from a strategic equity investment in 2017. EBITDA is a non-GAAP financial measure and is described under Explanation of Key Metrics and Other Items below. The following table reconciles EBITDA to Net income, the most directly comparable GAAP measure in the accompanying financial statements.

	For the Three Months Ended June 30,		Variance	
	2017	2016	Amount	%
	(Dollars in thousands)			
Net income	$ 7,122	$ 55,909	$ (48,787)	(87.3)
Interest income and expense, net	45,417	16,387	29,030	*
Income tax provision	3,003	23,692	(20,689)	(87.3)
Depreciation and amortization	130,034	106,117	23,917	22.5
Net income from discontinued operations	(531)	(11,656)	11,125	(95.4)
Net income attributable to noncontrolling interests	(182)	(123)	(59)	48.0
EBITDA	$ 184,863	$ 190,326	$ (5,463)	(2.9)

Segment Operating Results and Capital Expenditures

Three Months Ended June 30, 2017 Compared to the Three Months Ended June 30, 2016

	Hughes	EchoStar Satellite Services	Corporate and Other	Consolidated Total
	(In thousands)			
For the Three Months Ended June 30, 2017				
Total revenue	$ 362,762	$ 98,366	$ 3,948	$ 465,076
Capital expenditures	$ 96,529	$ 4,640	$ 26,895	$ 128,064
EBITDA	$ 110,024	$ 80,465	$ (5,626)	$ 184,863
For the Three Months Ended June 30, 2016				
Total revenue	$ 339,337	$ 101,450	$ 1,871	$ 442,658
Capital expenditures	$ 81,322	$ 10,312	$ 40,815	$ 132,449
EBITDA	$ 117,627	$ 84,284	$ (11,585)	$ 190,326

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Hughes Segment

	For the Three Months Ended June 30,		Variance	
	2017	2016	Amount	%
	(Dollars in thousands)			
Total revenue	$ 362,762	$ 339,337	$ 23,425	6.9
Capital expenditures	$ 96,529	$ 81,322	$ 15,207	18.7
EBITDA	$ 110,024	$ 117,627	$ (7,603)	(6.5)

Revenue

Hughes segment total revenue for the three months ended June 30, 2017 increased by $23.4 million, or 6.9%, compared to the same period in 2016. The increase was primarily due to an increase in sales of broadband equipment and services to our domestic and international consumers and domestic enterprise customers of $32.1 million. The increase was partially offset by a decrease in equipment sales and services to DISH Network of $4.9 million, and a decrease in sales of broadband services of $2.2 million to our international enterprise customers.

Capital Expenditures

Hughes segment capital expenditures for the three months ended June 30, 2017 increased by $15.2 million, or 18.7%, compared to the same period in 2016, primarily as a result of an increase of $35.1 million in expenditures on domestic and international customer rental equipment and an increase of $2.2 million in expenditures on the 63 West satellite, partially offset by a decrease of $25.0 million in expenditures on other satellites and related ground infrastructure.

EBITDA

Hughes segment EBITDA for the three months ended June 30, 2017 was $110.0 million, a decrease of $7.6 million, or 6.5%, compared to the same period in 2016. The decrease was due to an increase of $12.3 million in marketing and promotional costs primarily attributable to our domestic and international consumer broadband sales, an unfavorable foreign exchange impact of $2.1 million in 2017, and $1.4 million in a protective put associated with our trading securities in the second quarter of 2016, partially offset by an increase of $7.8 million in gross margin and a decrease of $0.5 million in gains on our trading securities in 2017.

EchoStar Satellite Services Segment

	For the Three Months Ended June 30,		Variance	
	2017	2016	Amount	%
	(Dollars in thousands)			
Total revenue	$ 98,366	$ 101,450	$ (3,084)	(3.0)
Capital expenditures	$ 4,640	$ 10,312	$ (5,672)	(55.0)
EBITDA	$ 80,465	$ 84,284	$ (3,819)	(4.5)

Revenue

ESS segment total revenue for the three months ended June 30, 2017 decreased by $3.1 million, or 3.0%, compared to the same period in 2016, primarily due to a decrease in sales of transponder services due to expired service contracts.

Capital Expenditures

ESS segment capital expenditures for the three months ended June 30, 2017 decreased by $5.7 million, or 55.0%, compared to the same period in 2016, primarily related to a decrease in expenditures on the EchoStar 105/SES-11 satellite.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

EBITDA

ESS segment EBITDA for the three months ended June 30, 2017 was $80.5 million, a decrease of $3.8 million, or 4.5%, compared to the same period in 2016. The decrease in EBITDA for our ESS segment was primarily due to a decrease of $3.1 million in revenues primarily driven by a decrease in sales of transponder services due to expired service contracts. The decrease was also attributable to an increase in rental expenses for the lease of certain real estate from DISH Network in 2017.

Corporate and Other

Corporate and Other is comprised of various corporate departments (primarily Executive, Strategic Development, Human Resources, IT, Finance, Real Estate, and Legal) as well as other activities that have not been assigned to our operating segments, including costs incurred in certain satellite development programs and other business development activities, our centralized treasury activities and gains (losses) from certain of our investments.

	For the Three Months Ended June 30,		Variance	
	2017	2016	Amount	%
	(Dollars in thousands)			
Total revenue	$ 3,948	$ 1,871	$ 2,077	*
Capital expenditures	$ 26,895	$ 40,815	$ (13,920)	(34.1)
EBITDA	$ (5,626)	$ (11,585)	$ 5,959	(51.4)

* Percentage is not meaningful.

Capital Expenditures

For the three months ended June 30, 2017, Corporate and Other capital expenditures decreased by $13.9 million, or 34.1%, compared to the same period in 2016, primarily related to a decrease in satellite expenditures of $12.4 million on the EchoStar XXIII satellite and a decrease in satellite expenditures of $8.4 million on the EchoStar XIX satellite, partially offset by an increase in satellite expenditures of $7.3 million on the EchoStar XXI satellite. The EchoStar XXI satellite is intended to be used by EchoStar Mobile in providing mobile satellite services in the EU. It was launched in June 2017 and is anticipated to be placed in service in late 2017. The EchoStar XXIII satellite was launched in March 2017 and was placed into service in the second quarter of 2017.

EBITDA

For the three months ended June 30, 2017, Corporate and Other EBITDA was $5.6 million of loss, a reduction in loss of $6.0 million or 51.4% compared to the same period in 2016. The reduction in loss was primarily related to a non-recurring dividend of $3.5 million received from a strategic equity investment in 2017, a decrease of $3.4 million in selling, general and administrative expenses, a favorable foreign exchange impact of $1.5 million in 2017, and an increase of $1.0 million in rental income relating to our lease agreements pursuant to which DISH Network leases certain real estate from us, partially offset by $3.3 million in realized gains on our securities classified as available-for-sale in 2016.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Six Months Ended June 30, 2017 Compared to the Six Months Ended June 30, 2016

Statements of Operations Data (1)	For the Six Months Ended June 30, 2017	For the Six Months Ended June 30, 2016	Variance Amount	Variance %
		(Dollars in thousands)		
Revenue:				
Services and other revenue - DISH Network	$ 228,689	$ 232,313	$ (3,624)	(1.6)
Services and other revenue - other	554,844	543,869	10,975	2.0
Equipment revenue - DISH Network	49	4,870	(4,821)	(99.0)
Equipment revenue - other	114,645	93,580	21,065	22.5
Total revenue	898,227	874,632	23,595	2.7
Costs and Expenses:				
Cost of sales - services and other	265,807	253,348	12,459	4.9
% of Total services and other revenue	**33.9%**	**32.6%**		
Cost of sales - equipment	101,803	89,653	12,150	13.6
% of Total equipment revenue	**88.8%**	**91.1%**		
Selling, general and administrative expenses	172,817	159,782	13,035	8.2
% of Total revenue	**19.2%**	**18.3%**		
Research and development expenses	15,142	14,494	648	4.5
% of Total revenue	**1.7%**	**1.7%**		
Depreciation and amortization	245,117	216,194	28,923	13.4
Total costs and expenses	800,686	733,471	67,215	9.2
Operating income	97,541	141,161	(43,620)	(30.9)
Other Income (Expense):				
Interest income	18,330	7,467	10,863	*
Interest expense, net of amounts capitalized	(100,852)	(43,060)	(57,792)	*
Gains and impairment on investments, net	10,574	7,949	2,625	33.0
Equity in earnings of unconsolidated affiliates, net	11,239	4,818	6,421	*
Other, net	3,525	5,167	(1,642)	(31.8)
Total other expense, net	(57,184)	(17,659)	(39,525)	*
Income from continuing operations before income taxes	40,357	123,502	(83,145)	(67.3)
Income tax provision	(2,991)	(43,864)	40,873	(93.2)
Net income from continuing operations	37,366	79,638	(42,272)	(53.1)
Net income from discontinued operations	7,108	24,714	(17,606)	(71.2)
Net income	44,474	104,352	(59,878)	(57.4)
Less: Net loss attributable to noncontrolling interest in HSS Tracking Stock	(655)	(1,011)	356	(35.2)
Less: Net income attributable to other noncontrolling interests	474	422	52	12.3
Net income attributable to EchoStar	$ 44,655	$ 104,941	$ (60,286)	(57.4)
Other Data:				
EBITDA (2)	$ 368,177	$ 375,878	$ (7,701)	(2.0)
Subscribers, end of period	1,085,000	1,030,000	55,000	5.3

* Percentage is not meaningful.

(1) An explanation of our key metrics is included on pages 59 and 60 under the heading "Explanation of Key Metrics and Other Items."

(2) A reconciliation of EBITDA to "Net income," the most directly comparable GAAP measure in the accompanying financial statements, is included on page 54. For further information on our use of EBITDA see "Explanation of Key Metrics and Other Items" on page 60.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Services and other revenue - ***DISH Network***. "Services and other revenue - DISH Network" totaled $228.7 million for the six months ended June 30, 2017, a decrease of $3.6 million or 1.6%, compared to the same period in 2016.

Services and other revenue - DISH Network from our Hughes segment for the six months ended June 30, 2017 decreased by $4.7 million, or 9.4%, to $45.5 million compared to the same period in 2016. The decrease was primarily attributable to a decrease in wholesale subscribers.

Services and other revenue - DISH Network from Corporate and Other for the six months ended June 30, 2017 increased by $1.6 million, or 21.6%, to $9.1 million compared to the same period in 2016. The increase was primarily attributable to an increase in rental income relating to certain lease agreements pursuant to which DISH Network leases certain real estate from us.

Services and other revenue - ***other***. "Services and other revenue - other" totaled $554.8 million for the six months ended June 30, 2017, an increase of $11.0 million or 2.0%, compared to the same period in 2016.

Services and other revenue - other from our Hughes segment for the six months ended June 30, 2017 increased by $15.8 million, or 3.1%, to $532.0 million compared to the same period in 2016. The increase was primarily attributable to increases in sales of broadband services of $20.0 million to our domestic and international consumers, $2.4 million to our domestic enterprise customers and $2.1 million to our telecom systems customers, partially offset by a decrease of $8.7 million to our international enterprise customers.

Services and other revenue - other from our ESS segment for the six months ended June 30, 2017 decreased by $5.2 million, or 17.5%, to $24.6 million compared to the same period in 2016. The decrease was primarily attributable to decreases in sales of transponder services due to expired service contracts.

Equipment revenue - ***DISH Network.*** "Equipment revenue - DISH Network" totaled $49.0 thousand for the six months ended June 30, 2017, a decrease of $4.8 million or 99.0%, compared to the same period in 2016 primarily from our Hughes segment. The decrease in revenue was primarily due to the decrease in unit sales of broadband equipment to dishNET as a result of the MSA. See Note 16 in the notes to condensed consolidated financial statements in Item 1 of this report for additional information about the MSA.

Equipment revenue - ***other.*** "Equipment revenue - other" totaled $114.6 million for the six months ended June 30, 2017, an increase of $21.1 million or 22.5%, compared to the same period in 2016 primarily from our Hughes segment. The increase was mainly due to an increase of $22.4 million in sales of broadband equipment to our domestic enterprise customers and an increase of $4.2 million to our domestic and international consumers, partially offset by a decrease of $5.1 million in revenue from our telecom systems customers.

Cost of sales - ***services and other***. "Cost of sales - services and other" totaled $265.8 million for the six months ended June 30, 2017, an increase of $12.5 million or 4.9%, compared to the same period in 2016.

Cost of sales - services and other from our Hughes segment for the six months ended June 30, 2017 increased by $11.7 million, or 5.3%, to $231.5 million compared to the same period in 2016. The increase was primarily attributable to an increase in the costs of broadband services provided to our domestic and international consumers and domestic enterprise customers primarily due to the increase in sales of broadband services.

Cost of sales - services and other from our ESS segment for the six months ended June 30, 2017 increased by $0.7 million, or 2.2%, to $32.6 million compared to the same period in 2016. The increase was primarily due to rental expenses for the lease of certain real estate from DISH Network in 2017.

Cost of sales - ***equipment.*** "Cost of sales - equipment" totaled $101.8 million for the six months ended June 30, 2017, an increase of $12.2 million or 13.6%, compared to the same period in 2016 primarily from our Hughes segment. The increase was primarily attributable to an increase of $19.3 million in equipment costs related to the increase in sales to our domestic and international consumers and enterprise customers, partially offset by a decrease of $7.8 million in equipment costs related to the decrease in sales to dishNET and our telecom systems customers.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Selling, general and administrative expenses. "Selling, general and administrative expenses" totaled $172.8 million for the six months ended June 30, 2017, an increase of $13.0 million or 8.2%, compared to the same period in 2016. The increase was primarily related to an increase of $13.8 million in marketing and promotional costs primarily attributable to our domestic and international consumer broadband sales in our Hughes segment, partially offset by a decrease in general and administrative expenses. As a result of the MSA, we expect our subscriber acquisition costs to increase in future periods. See Note 16 in the notes to condensed consolidated financial statements in Item 1 of this report for additional information about the MSA.

Research and development expenses. "Research and development expenses" totaled $15.1 million for the six months ended June 30, 2017, an increase of $0.6 million or 4.5%, compared to the same period in 2016. Our research and development activities vary based on the activity level and scope of other engineering and customer related development contracts.

Depreciation and amortization. "Depreciation and amortization" expenses totaled $245.1 million for the six months ended June 30, 2017, an increase of $28.9 million or 13.4%, compared to the same period in 2016. The increase was primarily related to an increase in depreciation expense of the EUTELSAT 65 West A, EchoStar XIX and EchoStar XXIII satellites that were placed into service in the second quarter of 2016, and the first and second quarters of 2017, respectively, an increase in depreciation expense relating to customer rental equipment from our consumer satellite broadband services in Brazil which began in July 2016, and an increase in depreciation expense relating to machinery and equipment in 2017, partially offset by a decrease in amortization expense from certain of our fully amortized other intangible assets in Corporate and Other.

Interest income. "Interest income" totaled $18.3 million for the six months ended June 30, 2017, an increase of $10.9 million compared to the same period in 2016. The increase was primarily attributable to the increase in our marketable investments due to the issuance of long-term debt in the third quarter of 2016.

Interest expense, net of amounts capitalized. "Interest expense, net of amounts capitalized" totaled $100.9 million for the six months ended June 30, 2017, an increase of $57.8 million, compared to the same period in 2016. The increase was primarily due to an increase in interest expense of $44.5 million relating to the issuance of 2026 Notes in the third quarter of 2016 and a decrease of $13.3 million in capitalized interest relating to the EchoStar XIX and EchoStar XXIII satellites that were placed into service in the first and second quarters of 2017, respectively.

Gains and impairment on investments, net. "Gains and impairment on investments, net" totaled $10.6 million in gains for the six months ended June 30, 2017, an increase of $2.6 million or 33.0%, compared to the same period in 2016. The increase was primarily due to a gain of $8.9 million from the sale of our investment in Invidi Technologies Corporation to an entity owned in part by DISH Network in the first quarter of 2017, partially offset by an other than temporary impairment loss of $3.3 million on certain strategic equity securities in our marketable investment securities in 2017 and a decrease of $2.8 million in realized gains on our securities classified as available-for-sale in 2017.

Equity in earnings of unconsolidated affiliates, net. "Equity in earnings of unconsolidated affiliates, net" totaled $11.2 million in earnings for the six months ended June 30, 2017, an increase of $6.4 million, compared to the same period in 2016. The increase was primarily related to an increase in earnings from our investment in Dish Mexico.

Other, net. "Other, net" totaled $3.5 million in income for the six months ended June 30, 2017, a decrease of $1.6 million or 31.8%, compared to the same period in 2016. The decrease was primarily related to $6.8 million for a provision recorded in the first half of 2015 in connection with Federal Communications Commission ("FCC") regulatory fees, which was reversed in the first quarter of 2016, partially offset by a non-recurring dividend of $3.5 million received from a strategic equity investment in 2017 and $1.5 million in a protective put associated with our trading securities in 2016.

Income tax provision. Income tax expense was $3.0 million for the six months ended June 30, 2017, a decrease of $40.9 million or 93.2%, compared to the same period in 2016. Our effective income tax rate was 7.4% and 35.5% for the six months ended June 30, 2017 and 2016, respectively. The variations in our current year effective tax rate from the U.S. federal statutory rate for the six months ended June 30, 2017 were primarily due to the recognition of a one-time tax benefit for the revaluation of our deferred tax assets and liabilities due to a change in our state effective tax rate as a result of the Share Exchange. The tax benefit recognized from the change in our effective tax rate was partially offset by the increase in our valuation allowance associated with certain state and foreign losses. The variations in our effective tax rate from the U.S. federal statutory rate for the six months ended June 30, 2016 were primarily due to research and experimentation credits, partially offset by state and local taxes.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Net income attributable to EchoStar. "Net income attributable to EchoStar" was $44.7 million for the six months ended June 30, 2017, a decrease of $60.3 million or 57.4%, compared to the same period in 2016. The decrease was primarily due to (i) an increase in interest expense of $44.5 million relating to the issuance of 2026 Notes in the third quarter of 2016, (ii) a decrease in operating income of $43.6 million, (iii) a decrease of $17.6 million in income from discontinued operations, (iv) a decrease of $13.3 million in capitalized interest relating to the EchoStar XIX and EchoStar XXIII satellites that were placed into service in the first and second quarters of 2017, respectively, and (v) $6.8 million for a provision recorded in the first half of 2015 in connection with FCC regulatory fees, which was reversed in the first quarter of 2016. The decrease was partially offset by (i) a decrease in income tax expense of $40.9 million, (ii) an increase of $10.9 million in interest income primarily attributable to the increase in our marketable investments due to the issuance of long-term debt in the third quarter of 2016, (iii) an increase of $6.4 million in equity in earnings of unconsolidated affiliates, net, in 2017, (iv) a non-recurring dividend of $3.5 million received from a strategic equity investment in 2017 and (v) an increase of $2.6 million in gains on investments, net of losses and impairments.

Earnings before interest, taxes, depreciation and amortization ("EBITDA"). EBITDA was $368.2 million for the six months ended June 30, 2017, a decrease of $7.7 million or 2.0%, compared to the same period in 2016. The decrease was primarily due to (i) a decrease in operating income, excluding depreciation and amortization, of $14.7 million, and (ii) $6.8 million for a provision recorded in the first half of 2015 in connection with FCC regulatory fees, which was reversed in the first quarter of 2016. The decrease was partially offset by (i) an increase of $6.4 million in equity in earnings of unconsolidated affiliates, net, (ii) a non-recurring dividend of $3.5 million received from a strategic equity investment in 2017, (iii) an increase of $2.6 million in gains on investments, net of losses and impairments and (iv) $1.5 million in a protective put associated with our trading securities in 2016. EBITDA is a non-GAAP financial measure and is described under Explanation of Key Metrics and Other Items below. The following table reconciles EBITDA to Net income, the most directly comparable GAAP measure in the accompanying financial statements.

	For the Six Months Ended June 30,		Variance	
	2017	2016	Amount	%
	(Dollars in thousands)			
Net income	$ 44,474	$ 104,352	$ (59,878)	(57.4)
Interest income and expense, net	82,522	35,593	46,929	*
Income tax provision	2,991	43,864	(40,873)	(93.2)
Depreciation and amortization	245,117	216,194	28,923	13.4
Net income from discontinued operations	(7,108)	(24,714)	17,606	(71.2)
Net loss attributable to noncontrolling interests	181	589	(408)	(69.3)
EBITDA	$ 368,177	$ 375,878	$ (7,701)	(2.0)

* Percentage is not meaningful.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Segment Operating Results and Capital Expenditures

Six Months Ended June 30, 2017 Compared to the Six Months Ended June 30, 2016

	Hughes	EchoStar Satellite Services	Corporate and Other	Consolidated Total
		(In thousands)		
For the Six Months Ended June 30, 2017				
Total revenue	$ 692,082	$ 198,692	$ 7,453	$ 898,227
Capital expenditures	$ 162,196	$ 13,148	$ 42,670	$ 218,014
EBITDA	$ 210,876	$ 163,528	$ (6,227)	$ 368,177
For the Six Months Ended June 30, 2016				
Total revenue	$ 665,575	$ 204,439	$ 4,618	$ 874,632
Capital expenditures	$ 185,559	$ 35,032	$ 117,653	$ 338,244
EBITDA	$ 227,983	$ 172,924	$ (25,029)	$ 375,878

Hughes Segment

	For the Six Months Ended June 30,		Variance	
	2017	2016	Amount	%
	(Dollars in thousands)			
Total revenue	$ 692,082	$ 665,575	$ 26,507	4.0
Capital expenditures	$ 162,196	$ 185,559	$ (23,363)	(12.6)
EBITDA	$ 210,876	$ 227,983	$ (17,107)	(7.5)

Revenue

Hughes segment total revenue for the six months ended June 30, 2017 increased by $26.5 million, or 4.0%, compared to the same period in 2016. The increase was primarily due to an increase of $24.8 million in sales of broadband equipment and services to our domestic enterprise customers, an increase of $24.2 million in sales of broadband equipment and services to our domestic and international consumers, and an increase of $2.1 million in sales of services to our telecom systems customers. The increase was partially offset by a decrease of $9.6 million in sales of broadband equipment and services to DISH Network, and a decrease of $8.7 million in sales of broadband services to our international customers, and a decrease of $5.1 million in sales of broadband equipment to our telecom systems customers.

Capital Expenditures

Hughes segment capital expenditures for the six months ended June 30, 2017 decreased by $23.4 million, or 12.6%, compared to the same period in 2016, primarily as a result of a decrease of $61.5 million in expenditures on satellites and related ground infrastructure, partially offset by an increase of $37.8 million in expenditures on domestic and international customer rental equipment in 2017.

EBITDA

Hughes segment EBITDA for the six months ended June 30, 2017 was $210.9 million, a decrease of $17.1 million, or 7.5%, compared to the same period in 2016. The decrease was primarily due to an increase of $13.7 million in marketing and promotional costs mainly attributable our domestic and international consumer broadband sales, an other than temporary impairment loss of $3.3 million on certain strategic equity securities in our marketable investment securities in 2017, an increase of $1.9 million in general and administrative expenses, and an unfavorable foreign exchange impact of $1.6 million in 2017. The decrease was partially offset by an increase of $3.2 million in gross margin.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

EchoStar Satellite Services Segment

	For the Six Months Ended June 30,		Variance	
	2017	2016	Amount	%
	(Dollars in thousands)			
Total revenue	$ 198,692	$ 204,439	$ (5,747)	(2.8)
Capital expenditures	$ 13,148	$ 35,032	$ (21,884)	(62.5)
EBITDA	$ 163,528	$ 172,924	$ (9,396)	(5.4)

Revenue

ESS segment total revenue for the six months ended June 30, 2017 decreased by $5.7 million, or 2.8%, compared to the same period in 2016, primarily attributable to decreases in sales of transponder services due to expired service contracts.

Capital Expenditures

ESS segment capital expenditures for the six months ended June 30, 2017 decreased by $21.9 million, or 62.5%, compared to the same period in 2016, primarily related to a decrease in expenditures on the EchoStar 105/SES-11 satellite.

EBITDA

ESS segment EBITDA for the six months ended June 30, 2017 was $163.5 million, a decrease of $9.4 million, or 5.4%, compared to the same period in 2016. The decrease in EBITDA for our ESS segment was primarily due to a decrease of $6.4 million in gross margin and a decrease of $3.8 million due to a provision recorded in the first half of 2015 in connection with FCC regulatory fees, which was reversed in the first quarter of 2016.

Corporate and Other

Corporate and Other is comprised of various corporate departments (primarily Executive, Strategic Development, Human Resources, IT, Finance, Real Estate, and Legal) as well as other activities that have not been assigned to our operating segments, including costs incurred in certain satellite development programs and other business development activities, our centralized treasury activities and gains (losses) from certain of our investments.

	For the Six Months Ended June 30,		Variance	
	2017	2016	Amount	%
	(Dollars in thousands)			
Total revenue	$ 7,453	$ 4,618	$ 2,835	61.4
Capital expenditures	$ 42,670	$ 117,653	$ (74,983)	(63.7)
EBITDA	$ (6,227)	$ (25,029)	$ 18,802	(75.1)

Capital Expenditures

For the six months ended June 30, 2017, Corporate and Other capital expenditures decreased by $75.0 million, or 63.7%, compared to the same period in 2016, primarily related to a decrease in satellite expenditures of $39.1 million on the EchoStar XIX satellite, a decrease in satellite expenditures of $17.3 million on the EchoStar XXIII satellite, and a decrease in satellite expenditures of $17.1 million on the EchoStar XXI satellite. The EchoStar XXI satellite is intended to be used by EchoStar Mobile in providing mobile satellite services in the EU. It was launched in June 2017 and is anticipated to be placed in service in late 2017. The EchoStar XXIII satellite was launched in March 2017 and was placed into service in the second quarter of 2017.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

EBITDA

For the six months ended June 30, 2017, Corporate and Other EBITDA was a loss of $6.2 million, a reduction in loss of $18.8 million, or 75.1%, compared to the same period in 2016. The reduction in loss was primarily related to a gain of $8.9 million from the sale of our investment in Invidi Technologies Corporation to an entity owned in part by DISH Network in the first quarter of 2017, an increase of $6.4 million in equity in earnings of unconsolidated affiliates, net in 2017, a favorable foreign exchange impact of $1.3 million in 2017, a non-recurring dividend of $3.5 million received from a strategic equity investment in 2017, and an increase of $1.5 million in rental income relating to certain lease agreements pursuant to which DISH Network leases certain real estate from us. The reduction in loss was partially offset by $3.0 million attributable to a provision recorded in the first half of 2015 in connection with FCC regulatory fees, which was reversed in the first quarter of 2016.

LIQUIDITY AND CAPITAL RESOURCES

Cash, Cash Equivalents and Current Marketable Investment Securities

We consider all liquid investments purchased with an original maturity of 90 days or less to be cash equivalents. See "Quantitative and Qualitative Disclosures about Market Risk" for further discussion regarding our marketable investment securities. As of June 30, 2017 and December 31, 2016, our cash, cash equivalents and current marketable investment securities totaled $3.27 billion and $3.09 billion, respectively.

As of June 30, 2017 and December 31, 2016, we held $280.4 million and $522.5 million, respectively, of marketable investment securities, consisting of various debt and equity instruments including corporate bonds, corporate equity securities, government bonds and mutual funds.

The following discussion highlights our cash flow activities for the six months ended June 30, 2017.

Cash flows from operating activities. We typically reinvest the cash flow from operating activities in our business. For the six months ended June 30, 2017, we reported net cash inflows from operating activities of $382.9 million, an increase in cash inflows of $27.2 million, compared to the same period in 2016. The increase in cash inflows was primarily attributable to an increase of $146.6 million resulting from changes in operating assets and liabilities related to timing differences, partially offset by lower net income of $119.4 million adjusted to exclude: (i) "Depreciation and amortization;" (ii) "Equity in earnings of unconsolidated affiliates, net;" (iii) "Gain and impairment on investments, net;" (iv) "Stock-based compensation;" (v) "Deferred tax provision;" (vi) "Other, net;" (vii) "Dividends received from unconsolidated entity;" and (viii) "Proceeds from sale of trading securities".

Cash flows from investing activities. Our investing activities generally include purchases and sales of marketable investment securities, capital expenditures, acquisitions and strategic investments. For the six months ended June 30, 2017, we reported net cash inflows from investing activities of $14.6 million compared to net cash outflows from investing activities of $507.5 million for the six months ended June 30, 2016. The decrease of $522.1 million in cash outflows was primarily related to a decrease of $386.0 million in purchases of marketable investment securities, net of sales and maturities, and a decrease of $122.2 million in capital expenditures, net of related refunds, in 2017 when compared to the same period in 2016 and cash proceeds of $17.8 million from the sale of our investment in Invidi Technologies Corporation to an entity owned in part by DISH Network in the first quarter of 2017.

Cash flows from financing activities. Our financing activities generally include proceeds related to the issuance of debt and cash used for the repurchase, redemption or payment of debt and capital lease obligations and the proceeds from Class A common stock options exercised and stock issued under our stock incentive plans and employee stock purchase plan. For the six months ended June 30, 2017, we reported net cash inflows from financing activities of $15.5 million compared to net cash outflows from financing activities of $11.2 million for the six months ended June 30, 2016. The decrease of $26.7 million in cash outflows was primarily due to an increase of $29.0 million in net proceeds from Class A common stock options exercised issued under our stock incentive plans, partially offset by a decrease of $3.0 million in net proceeds from Class A common stock issued under our employee stock purchase plan.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Obligations and Future Capital Requirements

Contractual Obligations

As of June 30, 2017, our satellite-related obligations were approximately $703.9 million. Our satellite-related obligations primarily include payments pursuant to agreements for the construction of the EchoStar 105/SES-11 and the 63 West satellites; payments pursuant to launch services contracts and regulatory authorizations; executory costs for our capital lease satellites; costs under satellite service agreements; and in-orbit incentives relating to certain satellites; as well as commitments for long-term satellite operating leases and satellite service arrangements.

Off-Balance Sheet Arrangements

Other than the transactions described below, we generally do not engage in off-balance sheet financing activities or use derivative financial instruments for hedge accounting or speculative purposes.

As of June 30, 2017, we had $35.9 million of letters of credit and insurance bonds. Of this amount, $13.0 million was secured by restricted cash, $1.1 million was related to insurance bonds, and $21.8 million was issued under credit arrangements available to our foreign subsidiaries. Certain letters of credit are secured by assets of our foreign subsidiaries.

As of June 30, 2017, we had foreign currency forward contracts with a notional value of $4.9 million in place to partially mitigate foreign currency exchange risk. From time to time, we may enter into foreign currency forward contracts, or take other measures, to mitigate risks associated with foreign currency denominated assets, liabilities, commitments and anticipated foreign currency transactions.

Satellite Insurance

We historically have not carried in-orbit insurance on our satellites because we assessed that the cost of insurance was uneconomical relative to the risk of failures. Therefore, we generally bear the risk of any in-orbit failures. Pursuant to the terms of the agreements governing certain portions of our indebtedness, we are required, subject to certain limitations on coverage, to maintain in-orbit insurance for our SPACEWAY 3, EchoStar XVI, and EchoStar XVII satellites. Based on economic analysis of the current insurance market we obtained launch plus one year in-orbit insurance, subject to certain limitations, for the EchoStar XIX, EchoStar XXI and EchoStar XXIII satellites. Additionally, we obtained certain launch and in-orbit insurance for our interest in the EchoStar 105/SES-11 satellite. All other satellites, either in orbit or under construction, are not covered by launch or in-orbit insurance. We will continue to assess circumstances going forward and make insurance decisions on a case by case basis.

Future Capital Requirements

We primarily rely on our existing cash and marketable investment securities balances, as well as cash flow generated through our operations to fund our business. We currently depend on DISH Network for a significant portion of our revenue. The loss of, or a significant reduction in provision of satellite services would significantly reduce our revenue and materially adversely impact our results of operations. There can be no assurance that we will have positive cash flows from operations. Furthermore, if we experience negative cash flows, our existing cash and marketable investment securities balances may be reduced.

We have a significant amount of outstanding indebtedness. As of June 30, 2017, our total indebtedness was $3.65 billion, of which $289.1 million related to capital lease obligations. See our most recent Form 10-K for a discussion of the terms of our indebtedness. Our liquidity requirements will be significant, primarily due to our debt service requirements. In addition, our future capital expenditures are likely to increase if we make acquisitions or additional investments in infrastructure or joint ventures necessary to support and expand our business, or if we decide to purchase or build one or more additional satellites. Furthermore, we expect to be a federal cash taxpayer in 2017 which will require additional liquidity. Other aspects of our business operations may also require additional capital. We periodically evaluate various strategic initiatives, the pursuit of which could also require us to invest or raise significant additional capital, which may not be available on acceptable terms or at all.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

We anticipate that our existing cash and marketable investment securities are sufficient to fund the currently anticipated operations of our business through the next twelve months.

Satellites

As our satellite fleet ages, we will be required to evaluate replacement alternatives such as acquiring, leasing or constructing additional satellites, with or without customer commitments for capacity. We may also construct or lease additional satellites in the future to provide satellite services at additional orbital locations or to improve the quality of our satellite services.

Stock Repurchases

Pursuant to a stock repurchase program approved by our board of directors, we are authorized to repurchase up to $500.0 million of our outstanding shares of Class A common stock through December 31, 2017. As of June 30, 2017, we have not repurchased any common stock under this program.

Seasonality

For our Hughes segment, service revenue is generally not impacted by seasonal fluctuations other than those associated with fluctuations related to sales and promotional activities. However, like many communications infrastructure equipment vendors, a higher amount of our hardware revenue occurs in the second half of the year due to our customers' annual procurement and budget cycles. Large enterprises and operators often allocate their capital expenditure budgets at the beginning of their fiscal year (which often coincides with the calendar year). The typical sales cycle for large complex system procurements is six to 12 months, which often results in the customer expenditure occurring towards the end of the year. Customers often seek to expend the budgeted funds prior to the end of the year and the next budget cycle.

Our ESS segment is not generally affected by seasonal impacts.

Inflation

Inflation has not materially affected our operations during the past three years. We believe that our ability to increase the prices charged for our products and services in future periods will depend primarily on competitive pressures or contractual terms.

EXPLANATION OF KEY METRICS AND OTHER ITEMS

Services and other revenue - ***DISH Network***. "Services and other revenue - DISH Network" primarily includes revenue associated with satellite and transponder services, satellite uplinking/downlinking, signal processing, conditional access management, telemetry, tracking and control, professional services, facilities rental revenue and other services provided to DISH Network. "Services and other revenue - DISH Network" also includes subscriber wholesale service fees for the Hughes service sold to dishNET.

Services and other revenue - ***other***. "Services and other revenue - other" primarily includes the sales of enterprise and consumer broadband services, as well as maintenance and other contracted services. "Services and other revenue - other" also includes revenue associated with satellite and transponder services, satellite uplinking/downlinking and other services provided to customers other than DISH Network.

Equipment revenue - ***DISH Network***. "Equipment revenue - DISH Network" primarily includes sales of satellite broadband equipment and related equipment, related to the Hughes service, to DISH Network.

Equipment revenue - ***other***. "Equipment revenue - other" primarily includes broadband equipment and networks sold to customers in our enterprise and consumer markets.

Cost of sales - ***services and other***. "Cost of sales - services and other" primarily includes the cost of broadband services provided to our enterprise and consumer customers, and to DISH Network, as well as the cost of providing maintenance and other contracted services. "Cost of sales - services and other" also includes the costs associated with satellite and transponder services, satellite uplinking/downlinking, signal processing, conditional access management, telemetry, tracking and control, professional services, facilities rental costs, and other services provided to our customers, including DISH Network.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Cost of sales - equipment. "Cost of sales - equipment" consists primarily of the cost of broadband equipment and networks sold to customers in our enterprise and consumer markets, and to DISH Network.

Selling, general and administrative expenses. "Selling, general and administrative expenses" primarily includes selling and marketing costs and employee-related costs associated with administrative services (e.g., information systems, human resources and other services), including stock-based compensation expense. It also includes professional fees (e.g. legal, information systems and accounting services) and other items associated with facilities and administrative services provided by DISH Network and other third parties.

Research and development expenses. "Research and development expenses" primarily includes costs associated with the design and development of products to support future growth and provide new technology and innovation to our customers.

Interest income. "Interest income" primarily includes interest earned on our cash, cash equivalents and marketable investment securities, including premium amortization and discount accretion on debt securities.

Interest expense, net of amounts capitalized. "Interest expense, net of amounts capitalized" primarily includes interest expense associated with our debt and capital lease obligations (net of capitalized interest), and amortization of debt issuance costs.

Gains and impairment on investments, net. "Gains and impairment on investments, net" primarily includes gains, net of any losses, on the sale or exchange of investments and other-than-temporary impairment on certain of our marketable investment securities.

Equity in earnings of unconsolidated affiliates, net. "Equity in earnings of unconsolidated affiliates, net" includes earnings or losses from our investments accounted for under the equity method.

Other, net. "Other, net" primarily includes foreign exchange gains and losses, dividends received from our marketable investment securities, and other non-operating income or expense items that are not appropriately classified elsewhere in our condensed consolidated statements of operations.

Income (loss) from discontinued operations. "Income (loss) from discontinued operations" includes the condensed consolidated financial statements of the EchoStar Technologies businesses and certain other assets exchanged as a result of the Share Exchange.

Earnings before interest, taxes, depreciation and amortization ("EBITDA"). EBITDA is defined as "Net income" excluding "Interest expense, net of amounts capitalized," "Interest income," "Income tax provision," and "Depreciation and amortization." EBITDA is not a measure determined in accordance with GAAP. This non-GAAP measure is reconciled to "Net income" in our discussion of "Results of Operations" above. EBITDA should not be considered in isolation or as a substitute for operating income, net income or any other measure determined in accordance with GAAP. EBITDA is used by our management as a measure of operating efficiency and overall financial performance for benchmarking against our peers and competitors. Management believes EBITDA provides meaningful supplemental information regarding the underlying operating performance of our business. Management also believes that EBITDA is useful to investors because it is frequently used by securities analysts, investors, and other interested parties to evaluate the performance of companies in our industry.

Subscribers. "Subscribers" include customers that subscribe to our Hughes segment's HughesNet broadband services, through retail, wholesale and small/medium enterprise service channels.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risks Associated with Financial Instruments and Foreign Currency

Our investments and debt are exposed to market risks, discussed below.

Cash, Cash Equivalents and Current Marketable Investment Securities

As of June 30, 2017, our cash, cash equivalents and current marketable investment securities had a fair value of $3.27 billion. Of this amount, a total of $3.14 billion was invested in: (a) cash; (b) commercial paper and corporate notes with an overall average maturity of less than one year and rated in one of the four highest rating categories by at least two nationally recognized statistical rating organizations; (c) debt instruments of the U.S. government and its agencies; and/or (d) instruments with similar risk, duration and credit quality characteristics to the commercial paper and corporate obligations described above. The primary purpose of these investing activities has been to preserve principal until the cash is required to, among other things, fund operations, make strategic investments and expand the business. Consequently, the size of this portfolio fluctuates significantly as cash is received and used in our business. The value of this portfolio may be negatively impacted by credit losses; however, this risk is mitigated through diversification that limits our exposure to any one issuer.

Interest Rate Risk

A change in interest rates would not affect the fair value of our cash, or materially affect the fair value of our cash equivalents due to their maturities of less than 90 days. A change in interest rates would affect the fair value of our current marketable debt securities portfolio; however, we normally hold these investments to maturity. Based on our current non-strategic investment portfolio of $3.14 billion as of June 30, 2017, a hypothetical 10% change in average interest rates during 2017 would not have a material impact on the fair value of our cash, cash equivalents and debt securities portfolio due to the limited duration of our investments.

Our cash, cash equivalents and current marketable debt securities had an average annual rate of return for the six months ended June 30, 2017 of 1.2%. A change in interest rates would affect our future annual interest income from this portfolio, since funds would be re-invested at different rates as the instruments mature. A hypothetical 10% decrease in average interest rates during 2017 would have resulted in a decrease of approximately $3.4 million in annual interest income.

Strategic Marketable Investment Securities

As of June 30, 2017, we held current strategic investments in the publicly traded common stock of several companies with a fair value of $127.4 million. These investments, which are held for strategic and financial purposes, are concentrated in a small number of companies, are highly speculative and have experienced and continue to experience volatility. The fair value of these investments can be significantly impacted by the risk of adverse changes in securities markets generally, as well as risks related to the performance of the companies whose securities we have invested in, risks associated with specific industries, and other factors. These investments are subject to significant fluctuations in fair value due to the volatility of the securities markets and of the underlying businesses. In general, our strategic marketable investment securities portfolio is not significantly impacted by interest rate fluctuations as it currently consists solely of equity securities, the value of which is more closely related to factors specific to the underlying business. A hypothetical 10% adverse change in the market price of our public strategic equity investments would result in a decrease of approximately $12.7 million in the fair value of these investments.

Restricted cash and marketable investment securities and investments in unconsolidated entities

Restricted cash and marketable investment securities

As of June 30, 2017, we had $13.8 million of restricted cash and marketable investment securities invested in: (a) cash; (b) debt instruments of the U.S. government and its agencies; (c) commercial paper and corporate notes with an overall average maturity of less than one year and rated in one of the four highest rating categories by at least two nationally recognized statistical rating organizations; (d) mutual funds; and (e) instruments with similar risk, duration and credit quality characteristics to the commercial paper described above. Based on our investment portfolio as of June 30, 2017, a hypothetical 10% increase in average interest rates would not have a material impact on the fair value of our restricted cash and marketable investment securities.

Investments in unconsolidated entities

As of June 30, 2017, we had $174.1 million of noncurrent equity instruments that we hold for strategic business purposes and account for under the cost or equity methods of accounting. The fair value of these instruments is not readily determinable. We periodically review these investments and estimate fair value when there are indications of impairment. A hypothetical adverse change equal to 10% of the carrying amount of these equity instruments would result in a decrease of approximately $17.4 million in the value of these investments.

Our ability to realize value from our strategic investments in companies that are privately held depends on the success of those companies' businesses and their ability to obtain sufficient capital to execute their business plans. Because private markets are not as liquid as public markets, there is also increased risk that we will not be able to sell these investments, or that when we desire to sell them we will not be able to obtain fair value for them.

Foreign Currency Exchange Risk

We generally conduct our business in U.S. dollars. Our international business is conducted in a variety of foreign currencies with our largest exposures being to the Brazilian real, the Indian rupee, and the British pound. This exposes us to fluctuations in foreign currency exchange rates. Transactions in foreign currencies are converted into U.S. dollars using exchange rates in effect on the dates of the transactions.

Our objective in managing our exposure to foreign currency changes is to reduce earnings and cash flow volatility associated with foreign exchange rate fluctuations. Accordingly, we may enter into foreign currency forward contracts, or take other measures, to mitigate risks associated with foreign currency denominated assets, liabilities, commitments and anticipated foreign currency transactions. As of June 30, 2017, we had $16.4 million of net foreign currency denominated receivables and payables outstanding, and foreign currency forward contracts with a notional value of $4.9 million in place to partially mitigate foreign currency exchange risk. The estimated fair values of the foreign exchange contracts were not material as of June 30, 2017. The impact of a hypothetical 10% adverse change in exchange rates on the carrying amount of the net assets and liabilities of our foreign subsidiaries would be an estimated loss to the cumulative translation adjustment of $26.6 million as of June 30, 2017.

Derivative Financial Instruments

We generally do not use derivative financial instruments for speculative purposes and we generally do not apply hedge accounting treatment to our derivative financial instruments. We evaluate our derivative financial instruments from time to time but there can be no assurance that we will not enter into additional foreign currency forward contracts, or take other measures, in the future to mitigate our foreign exchange risk.

Item 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report such that the information required to be disclosed in our SEC reports is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Securities Exchange Act of 1934, as amended) that occurred during the second quarter of 2017 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We continue to review our internal control over financial reporting, and may from time to time make changes aimed at enhancing its effectiveness and to ensure that our systems evolve with our business.

PART II — OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

For a discussion of legal proceedings, see Part I, Item 1. Financial Statements — Note 14 “Commitments and Contingencies — Litigation” in this Form 10-Q.

Item 1A. RISK FACTORS

Item 1A, “Risk Factors,” of our Form 10-K for the year ended December 31, 2016 includes a detailed discussion of our risk factors. Except as provided below, for the six months ended June 30, 2017, there were no material changes in our risk factors as previously disclosed.

The failure to adequately anticipate the need for satellite capacity or the inability to obtain satellite capacity for our Hughes segment could harm our results of operations.

Our Hughes segment has made substantial contractual commitments for satellite capacity based on our existing customer contracts and backlog. If our existing customer contracts were to be terminated prior to their respective expiration dates, we may be committed to maintaining excess satellite capacity for which we will have insufficient revenue to cover our costs, which would have a negative impact on our margins and results of operations. Alternatively, we may not have sufficient satellite capacity to meet demand. We have satellite capacity commitments, generally for two to five year terms, with third parties to cover different geographical areas or support different applications and features; therefore, we may not be able to quickly or easily adjust our capacity to changes in demand. We generally only purchase satellite capacity based on existing contracts and bookings. Therefore, capacity for certain types of coverage in the future may not be readily available to us, and we may not be able to satisfy certain needs of our customers, which could result in a loss of possible new business and could negatively impact the margins for those services. Our ability to provide capacity for subscriber growth in our North American consumer market could also be adversely affected by regulations and/or legislation in the U.S. that enable or propose to enable the use of a portion of the frequency bands we currently use or in the future intend to use for satellite services, 5G mobile terrestrial services or other uses. These bands include the Ka-band, where we operate our broadband gateway earth stations, and other bands in which we may operate in the future. Such regulation or legislation could limit our ability to use the Ka-band and/or other bands, limit our flexibility to change the way in which we use the Ka-band and/or adversely impact our ability to use additional bands in the future. Other countries in which we currently, or may in the future, operate are also considering regulations that could similarly limit access to the Ka-band or other frequency bands. In addition, the fixed satellite services (“FSS”) industry has seen consolidation in the past decade, and today, the main FSS providers in North America and a number of smaller regional providers own and operate the current satellites that are available for our capacity needs. The failure of any of these FSS providers to replace existing satellite assets at the end of their useful lives or a downturn in their industry as a whole could reduce or interrupt the satellite capacity available to us. Our business and results of operations could be adversely affected if we are not able to renew our capacity leases at economically viable rates, if capacity is not available due to problems experienced by these FSS providers or if frequencies are not available to us.

Our business is subject to risks of adverse government regulation.

Our business is subject to varying degrees of regulation in the U.S. by the FCC, and other federal, state and local entities, and in foreign countries by similar entities, and internationally by the ITU. These regulations are subject to the administrative and political process and do change, for political and other reasons, from time to time. For example, the FCC recently adopted an order in its “Spectrum Frontiers” proceeding under which a portion of the Ka-band, in which we operate our broadband gateway earth stations, has been enabled for 5G mobile terrestrial services, which could limit our flexibility to change the way in which we use Ka-band in the future and/or limit our access to and ability to use the Ka-band and/or other bands in the future. Other countries in which we currently, or may in the future, operate are also considering regulations that could limit access to the Ka-band or other frequency bands. The FCC has also opened a proceeding on non-geostationary satellites, which may adversely impact our ability to use certain spectrum for user terminals. Moreover, a substantial number of foreign countries in which we have, or may in the future make, an investment, regulate, in varying degrees, the ownership of satellites and other telecommunication facilities/networks and foreign investment in telecommunications companies. Violations of laws or regulations may result in various sanctions including fines, loss of authorizations and the denial of applications for new authorizations or for the renewal of existing authorizations. Further material changes in law and regulatory requirements may also occur, and there can be no assurance that our business and the business of our subsidiaries and affiliates will not be adversely affected by future legislation, new regulation or deregulation. The failure to obtain or comply with the authorizations and regulations governing our operations could have a material adverse effect on our ability to generate revenue and our overall competitive position and could result in our suffering serious harm to our reputation.

Our business depends on regulatory authorizations issued by the FCC and state and foreign regulators that can expire, be revoked or modified, and applications for licenses and other authorizations that may not be granted.

Generally all satellite, earth stations and other licenses granted by the FCC and most other countries are subject to expiration unless renewed by the regulatory agency. Our satellite licenses are currently set to expire at various times. In addition, we occasionally receive special temporary authorizations that are granted for limited periods of time (e.g., 180 days or less) and subject to possible renewal. Generally, our licenses and special temporary authorizations have been renewed on a routine basis, but there can be no assurance that this will continue. In addition, we must obtain new licenses from the FCC and other countries' regulators for the operation of new satellites that we may build and/or acquire. There can be no assurance that the FCC or other regulators will continue granting applications for new licenses or for the renewal of existing ones. If the FCC or other regulators were to cancel, revoke, suspend, or fail to renew any of our licenses or authorizations, or fail to grant our applications for FCC or other licenses, it could have a material adverse effect on our business, financial condition and results of operations. Specifically, loss of a frequency authorization or limitations on our ability to use the frequencies we currently use and/or intend to use in the future would reduce the amount of spectrum available to us, potentially reducing the amount of services we provide to our customers. The significance of such a loss of authorizations would vary based upon, among other things, the orbital location, the frequency band and the availability of replacement spectrum. In addition, the legislative and executive branches of the U.S. government and foreign governments often consider legislation and regulatory requirements that could affect us, as could the actions that the FCC and foreign regulatory bodies take. We cannot predict the outcomes of these legislative or regulatory proceedings or their effect on our business.

In addition, third parties have or may oppose some of our license applications and pending and future requests for extensions, modifications, waivers and approvals of our licenses. Even if we have fully complied with all of the required reporting, filing and other requirements in connection with our authorizations, it is possible a regulator could decline to grant certain of our applications or requests for authority, or could revoke, terminate, condition or decline to modify, extend or renew certain of our authorizations or licenses.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

There were no repurchases of our Class A common stock for the six months ended June 30, 2017.

Item 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable

Item 4. MINE SAFETY DISCLOSURES

Not applicable

Item 5. OTHER INFORMATION

As previously reported in a Current Report on Form 8-K filed on May 2, 2017, a non-binding, advisory vote was taken at our 2017 Annual Meeting of Stockholders on the frequency of future non-binding stockholder advisory votes regarding our named executive officer compensation. A majority of the votes cast at the Annual Meeting approved holding such advisory votes every three years. After considering the preference of the Company's stockholders and other factors, our Board of Directors has determined that EchoStar Corporation will hold, and include in our proxy materials, a non-binding shareholder advisory vote on the compensation of our named executive officers every three years until the next required shareholder vote on the frequency of such non-binding shareholder advisory votes on executive compensation. The next advisory vote on executive compensation will be submitted to our stockholders in 2020.

As previously disclosed by EchoStar Corporation and Hughes Satellite Systems Corporation (together, "we" or "us") in our public filings, including most recently in our annual reports on Form 10-K for the year ended December 31, 2016 and our quarterly reports on Form 10-Q for the quarter ended March 31, 2017, on January 23, 2015, Elbit Systems Land and C4I LTD and Elbit Systems of America Ltd. (together referred to as "Elbit") filed a complaint against our subsidiary Hughes Network Systems, L.L.C. ("HNS"), as well as against Black Elk Energy Offshore Operations, LLC, Bluetide Communications, Inc. and Helm Hotels Group, in the United States District Court for the Eastern District of Texas, alleging infringement of United States Patent Nos. 6,240,073 and 7,245,874. On April 2, 2015, Elbit filed an amended complaint removing Helm Hotels Group as a

defendant, but making similar allegations against a new defendant, Country Home Investments, Inc. At Elbit's request, on June 26, 2017, the court dismissed Elbit's claims of infringement against all parties other than HNS. Trial commenced on July 31, 2017. On August 7, 2017, the jury returned a verdict that the 073 patent was valid and infringed, and awarded Elbit approximately $21.1 million. The jury found that such infringement was not willful and that the 874 patent was not infringed. HNS intends to vigorously pursue its post-trial rights, including appeals. We cannot predict with certainty the outcome of any post-trial motions or appeals. During the three months ended June 30, 2017, we recorded $2.5 million of litigation reserve expense with respect to this matter. Any eventual payments made with respect to the ultimate outcome of this matter may be different from our accrued litigation reserves and such differences could be significant.

Item 6. EXHIBITS

Exhibit No.	Description
10.1(H)	EchoStar Non-Qualified Plan -- Executive Plan and Adoption Agreement, as amended.**
10.2(H)	Form of Stock Option Agreement for the EchoStar Corporation 2017 Stock Incentive Plan — Employee (2017)**
10.3(H)	Form of Stock Option Agreement for the EchoStar Corporation 2017 Stock Incentive Plan — Executive (2017)**
10.4(H)	Form of Non-Employee Director Stock Option Agreement for the EchoStar Corporation 2017 Non-Employee Director Stock Incentive Plan**
10.5(H)	Form of Restricted Stock Unit Agreement for the EchoStar Corporation 2017 Stock Incentive Plan — Executive (2017)**
31.1(H)	Section 302 Certification of Chief Executive Officer.
31.2(H)	Section 302 Certification of Chief Financial Officer.
32.1(I)	Section 906 Certifications of Chief Executive Officer and Chief Financial Officer.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.

(H) Filed herewith.
(I) Furnished herewith
* Incorporated by reference.
** Constitutes a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ECHOSTAR CORPORATION

Date: August 9, 2017

By: /s/ *Michael T. Dugan*

Michael T. Dugan

Chief Executive Officer, President and Director

(Principal Executive Officer)

Date: August 9, 2017

By: /s/ *David J. Rayner*

David J. Rayner

Executive Vice President, Chief Financial Officer, Chief Operating Officer and Treasurer

(Principal Financial and Accounting Officer)

The CORPORATE*plan for Retirement*[SM]
EXECUTIVE PLAN

BASIC PLAN DOCUMENT

IMPORTANT NOTE

This document has not been approved by the Department of Labor, the Internal Revenue Service or any other governmental entity. The Employer must determine whether the plan is subject to the Federal securities laws and the securities laws of the various states. The Employer may not rely on this document to ensure any particular tax consequences or to ensure that the Plan is "unfunded and maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees" under the Employee Retirement Income Security Act with respect to the Employer's particular situation. Fidelity Management Trust Company, its affiliates and employees cannot and do not provide legal or tax advice or opinions in connection with this document. This document does not constitute legal or tax advice or opinions and is not intended or written to be used, and it cannot be used by any taxpayer, for the purposes of avoiding penalties that may be imposed on the taxpayer. This document must be reviewed by the Employer's attorney prior to adoption.

CORPORATEplan for Retirement EXECUTIVE
BASIC PLAN DOCUMENT

8.02 - Notice to Trustee
8.03 - Unforeseeable Emergency Withdrawals

PREAMBLE

It is the intention of the Employer to establish herein an unfunded plan maintained solely for the purpose of providing deferred compensation for a select group of management or highly compensated employees as provided in ERISA. The Employer further intends that this Plan comply with Code section 409A, and the Plan is to be construed accordingly.

If the Employer has previously maintained the Plan described herein pursuant to a previously existing plan document or description, the Employer's adoption of this Plan document is an amendment and complete restatement of, and supersedes, such previously existing document or description with respect to benefits accrued or to be paid on or after the effective date of this document (except to the extent expressly provided otherwise herein).

Article 1. Adoption Agreement.

Article 2. Definitions.

2.01. Definitions.

(a) Wherever used herein, the following terms have the meanings set forth below, unless a different meaning is clearly required by the context:

(1) "Account" means an account established on the books of the Employer for the purpose of recording amounts credited to a Participant and any income, expenses, gains, or losses attributable thereto.

(2) "Active Participant" means a Participant who is eligible to accrue benefits under a plan (other than earnings on amounts previously deferred) within the 24-month period ending on the date the Participant becomes a Participant under Section 3.01. Notwithstanding the above, however, a Participant is not an Active Participant if he has been paid all amounts deferred under the plan, provided that he was, on and before the date of the last payment, ineligible to continue or to elect to continue to participate in the plan for periods after such last payment (other than through an election of a different time and form of payment with respect to the amounts paid).

(A) For purposes of Section 4.01(d), as used in the first paragraph of the definition of "Active Participant" above, "plan" means an account balance plan (or portion thereof) of the Employer or a Related Employer subject to Code section 409A pursuant to which the Participant is eligible to accrue benefits only if the Participant elects to defer compensation thereunder, and the "date the Participant becomes a Participant hereunder" refers only to the date the Participant becomes a Participant with respect to Deferral Contributions.

(B) For purposes of Section 8.01(a)(2), as used in the first paragraph of the definition of "Active Participant" above, "plan" means an account balance plan (or portion thereof) of the Employer or a Related Employer subject to Code section 409A pursuant to which the Participant is eligible to accrue benefits without any election by the Participant to defer compensation thereunder, and the "date the Participant becomes

a Participant hereunder" refers only to the date the Participant becomes a Participant with respect to Matching or Employer Contributions.

(3) "Administrator" means the Employer adopting this Plan (but excluding Related Employers) or other person designated by the Employer in Section 1.01(c).

(4) "Adoption Agreement" means Article 1, under which the Employer establishes and adopts or amends the Plan and selects certain provisions of the Plan. The provisions of the Adoption Agreement are an integral part of the Plan.

(5) "Beneficiary" means the person or persons entitled under Section 7.02 to receive benefits under the Plan upon the death of a Participant.

(6) "Bonus" means any Performance-based Bonus or any Non-performance-based Bonus as listed and identified in the table in Section 1.05(a)(2) hereof.

(7) "Change in Control" means a change in control with respect to the applicable corporation, as defined in 26 CFR section 1.409A-3(i)(5). For purposes of this definition "applicable corporation" means:

(A) The corporation for which the Participant is performing services at the time of the change in control event;

(B) The corporation(s) liable for payment hereunder (but only if either the accrued benefit hereunder is attributable to the performance of service by the Participant for such corporation(s) or there is a bona fide business purpose for such corporation(s) to be liable for such payment and, in either case, no significant purpose of making such corporation(s) liable for such benefit is the avoidance of Federal income tax); or

(C) A corporate majority shareholder of one of the corporations described in (A) or (B) above or any corporation in a chain of corporations in which each corporation is a majority shareholder of another corporation in the chain, ending in a corporation identified in (A) or (B) above.

(8) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(9) "Compensation" means for purposes of Article 4:

(A) If the Employer elects Section 1.04(a), such term as defined in such Section 1.04(a).

(B) If the Employer elects Section 1.04(b), wages as defined in Code section 3401(a) and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code sections 6041(d) and 6051(a)(3), excluding any items elected by the Employer in Section 1.04(b), reimbursements or other expense allowances, fringe benefits (cash and non-cash), moving expenses, deferred compensation and welfare benefits, but including amounts that are not includable in the gross income of the Employee under a salary reduction agreement by reason of the application of Code section 125, 132(1)(4), 402(e)(3), 402(h) or 403(b). Compensation shall be determined without regard to any rules under Code section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment

or the services performed (such as the exception for agricultural labor in Code section 3401(a)(2)).

(C) If the Employer elects Section 1.04(c), any and all monetary remuneration paid to the Director by the Employer, including, but not limited to, meeting fees and annual retainers, and excluding items listed in Section 1.04(c).

For purposes of this Section 2.01(a)(9), Compensation shall also include amounts deferred pursuant to an election under Section 4.01.

(10) "Deferral Contribution" means a hypothetical contribution credited to a Participant's Account as the result of the Participant's election to reduce his Compensation in exchange for such credit, as described in Section 4.01.

(11) "Director" means a person, other than an Employee, who is elected or appointed as a member of the board of directors of the Employer, with respect to a corporation, or to an analogous position with respect to an entity that is not a corporation.

(12) "Disability" is described in Section 1.07(a)(2).

(13) "Employee" means any employee of the Employer.

(14) "Employer" means the employer named in Section 1.02(a) and any Related Employers listed in Section 1.02(b).

(15)"Employer Contribution" means a hypothetical contribution credited to a Participant's Account under the Plan as a result of the Employer's crediting of such amount, as described in Section 4.03.

(16) “Employment Commencement Date” means the date on which the Employee commences employment with the Employer.

(17) "ERISA" means the Employee Retirement Income Security Act of 1974, as from time to time amended.

(18) "'Inactive Participant" means a Participant who is not an Employee or Director.

(19) "Matching Contribution" means a hypothetical contribution credited to a Participant's Account under the Plan as a result of the Employer's crediting of such amount, as described in Section 4.02.

(20) "Non-performance-based Bonus" means any Bonus listed under the column entitled "non performance based" in Section 1.05(a)(2).

(21) "Participant" means any Employee or Director who participates in the Plan in accordance with Article 3 (or formerly participated in the Plan and has an amount credited to his Account).

(22) "Performance-based Bonus" means any Bonus listed under the column entitled "performance based" in Section 1.05(a)(2), which constitutes compensation, the amount of, or entitlement to, which is contingent on the satisfaction of pre-established organizational or individual performance criteria relating to a performance period of at least 12 consecutive months and which is further defined in 26 CFR section 1.409A-l(e).

(23) "Permissible Investment" means the investments specified by the Employer as available for hypothetical investment of Accounts. The Permissible Investments under the Plan are listed in the Service Agreement, and the provisions of the Service Agreement listing the Permissible Investments are hereby incorporated herein.

(24) "Plan" means the plan established by the Employer as set forth herein as a new plan or as an amendment to an existing plan, such establishment to be evidenced by the Employer's execution of the Adoption Agreement, together with any and all amendments hereto.

(25) "Related Employer" means any employer other than the Employer named in Section 1.02(a), if the Employer and such other employer are members of a controlled group of corporations (as defined in Code section 414(b)) or trades or businesses (whether or not incorporated) under common control (as defined in Code section 414(c)).

(26) "Separation from Service" means the date the Participant retires or otherwise has a termination of employment (or a termination of the contract pursuant to which the Participant has provided services as a Director, for a Director Participant) with the Employer and all Related Employers, as further defined in 26 CFR section 1.409A-l(h); provided, however, that

(A) For purposes of this paragraph (26), the definition of "Related Employer" shall be modified as follows:

(i) In applying Code section 1563(a)(1), (2) and (3) for purposes of determining a controlled group of corporations under Code section 414(b), the phrase "at least 50%" shall be used instead of "at least 80 percent" each place "at least 80 percent" appears in Code section 1563(a)(1), (2) and (3); and

(ii) In applying 26 CFR section 1.414(c)-2 for purposes of determining trades or business (whether or not incorporated) under common control for purposes of Code section 414(c), the phrase "at least 50%" shall be used instead of "at least 80 percent" each place "at least 80 percent" appears in 26 CFR section 1.414(c)-2.

(B) In the event a Participant provides services to the Employer or a Related Employer as an Employee and a Director,

(i) The Employee Participant's services as a Director are not taken into account in determining whether the Participant has a Separation from Service as an Employee; and

(ii) The Director Participant's services as an Employee are not taken into account in determining whether the Participant has a Separation from Service as a Director

provided that this Plan is not aggregated with a plan subject to Code section 409A in which the Director Participant participates as an employee of the Employer or a Related Employer or in which the Employee Participant participates as a director (or a similar position with respect to a non-corporate entity) of the Employer or a Related Employer, as applicable, pursuant to 26 CFR section 1.409A-l(c)(2)(ii).

(27) "Service Agreement" means the agreement between the Employer and Trustee regarding the arrangement between the parties for recordkeeping services with respect to the Plan.

(28) "Specified Employee," (unless defined by the Employer in a separate writing, in which case such writing is hereby incorporated herein) means a Participant who meets the requirements in 26 CFR section 1.409A-1(i) applying the default definition components provided in such regulation (those that would apply absent elections, as described in 26 CFR section 1.409A-l(i)(8)), including an identification date of December 31. In the event that such default definition components are applicable, the Employer has elected Section 1.01(b)(2) and, immediately prior to the date in Section 1.01(b)(2), the Plan applied an identification date (the "prior date") other than the December 31, the prior date shall continue to apply, and December 31 shall not apply, until the date that is 12 months after the date in Section 1.01(b)(2

(29) "Trust" means the trust created by the Employer, pursuant to the Trust agreement between the Employer and the Trustee, under which assets are held, administered, and managed, subject to the claims of the Employer's creditors in the event of the Employer’s insolvency, until paid to Participants and their Beneficiaries as specified in the Plan.

(30) "Trust Fund" means the property held in the Trust by the Trustee.

(31) "Trustee" means the individual(s) or entity appointed by the Employer under the Trust agreement.

(32) "Unforeseeable Emergency" is as defined in 26 CFR section 1.409A-3(i)(3)(i).

(33) "Year of Service" is as defined in Section 7.03(b) for purposes of the elapsed time method and in Section 7.03(c) for purposes of the class year method.

(b) Pronouns used in the Plan are in the masculine gender but include the feminine gender unless the context clearly indicates otherwise.

Article 3. Participation.

3.01. Date of Participation. An Employee or Director becomes a Participant on the date such Employee's or Director's participation becomes effective (as described in Section 1.03).

3.02. Participation following a Change in Status.

(a) If a Participant ceases to be an Employee or Director and thereafter resumes the same status he had as a Participant during his immediately previous participation in the Plan (as an Employee if previously a Participant as an Employee and as a Director if previously a Participant as a Director), he will again become a Participant immediately upon resumption of such status, provided, however, that if such Participant is a Director, he is an eligible Director upon resumption of such status (as defined in Section l .03(b)), and provided, further, that if such Participant is an Employee, he is an eligible Employee upon resumption of such status (as defined in Section 1.03(a)). Deferral Contributions to such Participant's Account thereafter, if any, shall be subject to (1) or (2) below.

(1) If the Participant resumes such status during a period for which such Participant had previously made a valid deferral election pursuant to Section 4.01, he shall immediately resume such Deferral Contributions. Deferral Contributions applicable to periods thereafter shall be made pursuant to the election and other rules described in Section 4.01.

(2) If the Participant resumes such status after the period described in the first sentence of paragraph (1) of this Section 3.02, any Deferral Contributions with respect to such Participant shall be made pursuant to the election and other rules described in Section 4.01.

(b) When an individual who is a Participant due to his status as an eligible Employee (as defined in Section 1.03(a)) continues in the employ of the Employer or Related Employer but ceases to be an eligible Employee, the individual shall not receive an allocation of Matching or Employer Contributions for the period during which he is not an eligible Employee. Such Participant shall continue to make Deferral Contributions throughout the remainder of the applicable period (as described in Section 4.01) in which such change in status occurs, if, and as, applicable.

(c) When an individual who is a Participant due to his status as an eligible Director (as defined in Section 1.03(b)) continues his directorship with the Employer or a Related Employer but ceases to be an eligible Director, the individual shall not receive an allocation of Matching or Employer Contributions for the period during which he is not an eligible Director. Such Participant shall continue to make Deferral Contributions throughout the remainder of the applicable period (as described in Section 4.01) in which such change in status occurs, if, and as, applicable.

Article 4. Contributions.

4.01 Deferral Contributions. If elected by the Employer pursuant to Section 1.05(a) and/or 1.06(a), a Participant described in such applicable Section may elect to reduce his Compensation by a specified percentage or dollar amount. The Employer shall credit an amount to the Participant's Account equal to the amount of such reduction. Except as otherwise provided in this Section 4.01, such election shall be effective to defer Compensation relating to all services performed in the calendar year beginning after the calendar year in which the Participant executes the election. Under no circumstances may a salary reduction agreement be adopted retroactively. If the Employer has elected to apply Section 1.05(a)(2), no amount will be deducted from Bonuses unless the Participant has made a separate deferral election applicable to such Bonuses. A Participant's election to defer Compensation may be changed at any time before the last permissible date for making such election, at which time such election becomes irrevocable. Notwithstanding anything herein to the contrary, the conditions under which a Participant may make a deferral election as provided in the applicable salary reduction agreement are hereby incorporated herein and supersede any otherwise inconsistent Plan provision.

(a) **Performance Based Bonus**. With respect to a Performance-based Bonus, a separate election made pursuant to Section 1.05(a)(2) will be effective to defer such Bonus if made no later than 6 months before the end of the period during which the services on which such Performance-based Bonus is based are performed.

(b) **Fiscal Year Bonus**. With respect to a Bonus relating to a period of service coextensive with one or more consecutive fiscal years of the Employer, of which no amount is paid or payable during the service period, a separate election pursuant to Section 1.05(a)(2) will be effective to defer such Bonus if made no later than the close of the Employer's fiscal year next preceding the first fiscal year in which the Participant performs any services for which such Bonus is payable.

(c) **Cancellation of Salary Reduction Agreement**.

(1) The Administrator may cancel a Participant's salary reduction agreement pursuant to the provisions of 26 CFR section 1.409A-3(j)(4)(viii) in connection with the Participant's Unforeseeable Emergency. To the extent required pursuant to the application of 26 CFR section 1.401(k)-1(d)(3) (or any successor thereto), a Participant's salary reduction agreement shall be automatically cancelled.

(2) The Administrator may cancel a Participant's salary reduction agreement pursuant to the provisions of 26 CFR section 1.409A-3(j)(4)(xii) in connection with the Participant's disability. Such cancellation must occur by the later of the end of the Participant's taxable year or the 15th day of the third month following the date the Participant incurs a disability. For purposes of this paragraph (2), a disability is any medically determinable physical or mental impairment resulting in the Participant's inability to perform the duties of his or her position or any substantially similar position, where such impairment can be expected to result in death or can be expected to last for a continuous period of not less than six months.

In no event may the Participant, directly or indirectly, elect such a cancellation. A cancellation pursuant to this subsection (c) shall apply only to Compensation not yet earned.

(d) **Initial Deferral Election**. Notwithstanding the above, if the Participant is not an Active Participant, the Participant may make an election to defer Compensation within 30 days after the Participant becomes a Participant, which election shall be effective with respect to Compensation payable for services performed during the calendar year (or other deferral period described in (a) or (b) above, as applicable) and after the date of such election. For Compensation that is earned based upon a specified performance period (e.g., an annual bonus) an election pursuant to this subsection (d) will be effective to defer an amount equal to the total amount of the Compensation for the performance period multiplied by the ratio of the number of days remaining in the performance period after the election over the total number of days in the performance period.

4.02. **Matching Contributions**. If so provided by the Employer in Section 1.05(b) and/or 1.06(b)(1), the Employer shall credit a Matching Contribution to the Account of each Participant entitled to such Matching Contribution. The amount of the Matching Contribution shall be determined in accordance with Section 1.05(b) and/or 1.06(b)(1), as applicable, provided, however, that the Matching Contributions credited to the Account of a Participant pursuant to Section 1.05(b)(2) shall be limited pursuant to (a) and (b) below:

(a) The sum of Matching Contributions made on behalf of a Participant pursuant to Section 1.05(b)(2) for any calendar year and any other benefits the Participant accrues pursuant to another plan subject to Code section 409A as a result of such Participant's action or inaction under a qualified plan with respect to elective deferrals and other employee pre-tax contributions subject to the contribution restrictions under Code section 401(a)(30) or 402(g) shall not result in an increase in the amounts deferred under all plans subject to Code section 409A in which the Participant participates in excess of the limit with respect to elective deferrals under Code section 402(g)(1)(A), (B) and (C) in effect for the calendar year in which such action or inaction occurs; and

(b) The Matching Contributions made on behalf of a Participant pursuant to Section 1.05(b)(2) shall never exceed 100% of the matching amounts that would be provided under the qualified

employer plan identified in Section l05(b)(2) absent any plan-based restrictions that reflect limits on qualified plan contributions under the Code.

4.03. **Employer Contributions**. If so provided by the Employer in Section 1.05(c)(1) and/or 1.06(b)(2), the Employer shall make an Employer Contribution to be credited to the Account of each Participant entitled thereto in the amount provided in such Section(s). If so provided by the Employer in Section 1.05(c)(2) and/or 1.06(b)(3), the Employer may make an Employer Contribution to be credited to the Account maintained on behalf of any Participant in such an amount as the Employer, in its sole discretion, shall determine, subject to the provisions of the applicable Section.

4.04. **Election Forms**. Notwithstanding anything herein to the contrary, the terms of an election form with respect to the conditions under which a Participant may make any election hereunder, as provided in such form (whether electronic or otherwise) are hereby incorporated herein and supersede any otherwise inconsistent Plan provision.

Article 5. Participants' Accounts. The Administrator will maintain an Account for each Participant, reflecting hypothetical contributions credited to the Participant, along with hypothetical earnings, expenses, gains and losses, pursuant to the terms hereof. A hypothetical contribution shall be credited to the Account of a Participant on the date determined by the Employer and accepted by the Plan recordkeeper. The Administrator will maintain such other accounts and records as it deems appropriate to the discharge of its duties under the Plan.

Article 6. Investment of Accounts.

6.01. **Manner of Investment**. All amounts credited to the Accounts of Participants shall be treated as though invested and reinvested only in Permissible Investments.

6.02. **Investment Decisions, Earnings and Expenses**. Investments in which the Accounts of Participants shall be treated as invested and reinvested shall be directed by the Employer or by each Participant, or both, in accordance with Section 1.09. All dividends, interest, gains, and distributions of any nature that would be earned on a Permissible Investment will be credited to the Account as though reinvested in additional shares of that Permissible Investment. Expenses that would be attributable to such investments shall be charged to the Account of the Participant.

Article 7. Right to Benefits.

7.01. **Retirement**. If provided by the Employer in Section 1.08(e)(1), the Account of a Participant or an Inactive Participant who attains retirement eligibility prior to a Separation from Service will be 100% vested.

7.02. **Death**. If provided by the Employer in Section 1.08(e)(2), the Account of a Participant or former Participant who dies before the distribution of his entire Account will be 100% vested, provided that at the time of his death he is earning Years of Service.

A Participant may designate a Beneficiary or Beneficiaries, or change any prior designation of Beneficiary or Beneficiaries, by giving notice to the Administrator on a form designated by the Administrator. If more

than one person is designated as the Beneficiary, their respective interests shall be as indicated on the designation form.

A copy of the death certificate or other sufficient documentation must be filed with and approved by the Administrator. If upon the death of the Participant there is, in the opinion of the Administrator, no designated Beneficiary for part or all of the Participant's Account, such amount will be paid to his surviving spouse or, if none, to his estate (such spouse or estate shall be deemed to be the Beneficiary for purposes of the Plan). If a Beneficiary dies after benefits to such Beneficiary have commenced, but before they have been completed, and, in the opinion of the Administrator, no person has been designated to receive such remaining benefits, then such benefits shall be paid to the deceased Beneficiary's estate.

A distribution to a Beneficiary of a Specified Employee is not considered to be a payment to a Specified Employee for purposes of Sections 1.07 and 8.01(e).

7.03. Separation from Service.

(a) **General**. If provided by the Employer in Section 1.08, and subject to Section 1.08(e)(2), if a Participant has a Separation from Service, he will be entitled to a benefit equal to (i) the vested percentage(s) of the value of the Matching and Employer Contributions credited to his Account, as adjusted for income, expense, gain, or loss, such percentage(s) determined in accordance with the vesting schedule(s) and methodology selected by the Employer in Section 1.08, and (ii) the value of the Deferral Contributions to his Account as adjusted for income, expense, gain, or loss. The amount payable under this Section 7.03 will be distributed in accordance with Article 8.

(b) **Elapsed Time Vesting**. Unless otherwise provided by the Employer in Section 1.08, vesting shall be determined based on the elapsed time method. For purposes of the elapsed time method, “Years of Service" means, with respect to any Participant or Inactive Participant, the number of whole years of his periods of service with the Employer and any Related Employers (as defined in Section 2.01 (a)(26)(A)), subject to any exclusion elected by the Employer in Section 1.08(c). A Participant or Inactive Participant will receive credit for the aggregate of all time period(s) commencing with his Employment Commencement Date and ending on the date a break in service begins, unless any such years are excluded by Section 1.08(c). A Participant or Inactive Participant will also receive credit for any period of severance of less than 12 consecutive months. Fractional periods of a year will be expressed in terms of days.

A break in service is a period of severance of at least 12 consecutive months. A "period of severance" is a continuous period of time beginning on the date the Participant or Inactive Participant incurs a Separation from Service, or if earlier, the 12-month anniversary of the date on which the Participant or Inactive Participant was otherwise first absent from service.

Notwithstanding the above, the Employer shall comply with any service crediting rules to the extent required by applicable law.

(c) **Class Year Vesting**. If provided by the Employer in Section 1.08, a Participant's or Inactive Participant's vested percentage in the Matching Contributions and/or Employer Contributions portion(s) of his Account shall be determined pursuant to the class year method. Pursuant to such method, amounts attributable to the applicable contribution types are assigned to "class years" established in the records of the Plan. Such class years are years (calendar or noncalendar) to which the contribution is assigned by the Administrator, as described in the Service Agreement

between the Trustee and the Employer. The Participant's or Inactive Participant's vested percentage in amounts attributable to a particular contribution is determined from the beginning of the applicable class year to the date the Participant or Inactive Participant incurs a Separation from Service. For purposes of the class year method, a Participant or Inactive Participant is credited with a Year of Service on the first day of each such class year.

7.04. **Vesting after Partial Distribution**. If a distribution from a Participant's Account has been made to him at a time when his Account is less than 100% vested, the vesting schedule in Section 1.08 will thereafter apply only to amounts in his Account attributable to Matching and Employer Contributions credited after such distribution. The balance of his Account immediately after such distribution will be subject to the following for the purpose of determining his interest therein.

At any relevant time prior to a forfeiture of any portion thereof under Section 7.05, a Participant's nonforfeitable interest in the portion of his Account described in the sentence immediately above will be equal to P(AB + (RxD))-(RxD), where P is the nonforfeitable percentage at the relevant time determined under Section 7.05; AB is the account balance of such portion at the relevant time; D is the amount of the distribution; and R is the ratio of the account balance at the relevant time to the account balance after distribution. Following a forfeiture of any portion of such portion under Section 7.05 below, any balance with respect to such portion will remain fully vested and nonforfeitable.

7.05. **Forfeitures**. If a Participant has a Separation from Service, any portion of his Account (including any amounts credited after his Separation from Service) not payable to him under Section 7.03 will be forfeited by him.

7.06. **Change in Control**. If the Employer has elected to apply Section 1.07(a)(3)(D), then, upon a Change in Control, notwithstanding any other provision of the Plan to the contrary, all Participant Accounts shall be 100% vested.

7.07. **Disability**. If the Employer has elected to apply Section 1.08(e)(3), then, upon the date a Participant incurs a Disability, as defined in Section 1.07(a)(2), notwithstanding any other provision of the Plan to the contrary, all Accounts of such Participant shall be 100% vested.

7.08. **Directors**. Notwithstanding any other provision of the Plan to the contrary, all Accounts of a Participant who is a Director shall be 100% vested at all times, including Accounts attributable to the Participant's service as an Employee, if any.

Article 8. Distribution of Benefits.

8.01 Events Triggering, and Form of, Distributions.

(a) Events triggering the distribution of benefits and the form of such distributions are described in Section 1.07(a), pursuant to the Employer's election and/or the Participant's election, as applicable.

(1) With respect to the form and time of distribution of amounts attributable to a Deferral Contribution, a Participant election must be made no later than the time by which the Participant must elect to make a Deferral Contribution, as described in Section 4.01.

(2) With respect to the form and time of distribution of amounts attributable to Matching or Employer Contributions, a Participant election must be made no later than the time by which a Participant would be required to make a Deferral Contribution as described in Section 4.01 with respect to the calendar year for which the Matching and/or Employer Contributions are credited. For purposes of applying Section 4.01(d) "Active Participant" shall have the meaning assigned in Section 2.01(a)(2)(B).

(3) Notwithstanding anything herein to the contrary, an election choosing a distribution trigger and payment method pursuant to Section 1.07(a)(1) will only be effective with respect to amounts attributable to contributions credited to the Participant's Account for the calendar year (or other deferral period described in 4.01(a) or (b)) to which such election relates. Amounts attributable to contributions credited to a Participant's account prior to the effective date of any new election will not be affected and will be paid in accordance with the otherwise applicable election.

(b) If the Employer elects to permit a distribution election change pursuant to Section 1.07(b), then any such distribution election change must satisfy (1) through (3) below:

(1) Such election may not take effect until at least 12 months after the date on which such election is made.

(2) In the case of an election related to a payment not on account of Disability, death or the occurrence of an Unforeseeable Emergency, the payment with respect to which such election is made must be deferred for a period of not less than five years from the date such payment would otherwise have been paid (or in the case of installment payments, five years from the date the first amount was scheduled to be paid).

(3) Any election related to a payment at a specified time or pursuant to a fixed schedule may not be made less than 12 months prior to the date the payment is scheduled to be paid (or in the case of installment payments, 12 months prior to the date the first amount was scheduled to be paid).

With respect to any initial distribution election, a Participant shall in no event be permitted to make more than one distribution election change.

(c) A Participant's entitlement to installments will not be treated as an entitlement to a series of separate payments.

(d) If the Plan does not provide for Plan-level payment triggers pursuant to Section 1.07(a)(3), and the Participant does not designate in the manner prescribed by the Administrator the method of distribution, and/or the distribution trigger (if and as required), such method of distribution shall be a lump sum at Separation from Service.

(e) Notwithstanding anything herein to the contrary, with respect to any Specified Employee, if the applicable payment trigger is Separation from Service, then payment shall not commence before the date that is six months after the date of Separation from Service (or, if earlier, the date of death of the Specified Employee, pursuant to Section 7.02). Payments to which a Specified Employee would otherwise be entitled during the first six months following the date of Separation from Service are delayed by six months.

(f) Notwithstanding anything herein to the contrary, the Administrator may, in its discretion, automatically pay out a Participant's vested Account in a lump sum, provided that such payment satisfies the requirements in (1) through (3) below:

(1) Such payment results in the termination and liquidation of the entirety of the Participant's interest under the Plan, including all agreements, methods, programs, or other arrangements with respect to which deferrals of compensation are treated as having been deferred under a single nonqualified deferred compensation plan under 26 CFR section 1.409A-1(c)(2);

(2) Such payment is not greater than the applicable dollar amount under Code section 402(g)(1)(B); and

(3) Such exercise of Administrator discretion is evidenced in writing no later than the date of such payment.

(g) Notwithstanding anything herein to the contrary, the Administrator may, in its discretion, delay a payment otherwise required hereunder to a date after the designated payment date due to any of the circumstances described in (1) through (4) below, provided that the Administrator treats all payments to similarly situated Participants on a reasonably consistent basis.

(1) In the event the Administrator reasonably anticipates that, if the payment were made as scheduled, the Employer's deduction with respect to such payment would not be permitted due to the application of Code section 162(m), provided the delay complies with the conditions in 26 CFR section 1.409A-2(b)(7)(i).

(2) In the event the Administrator reasonably anticipates that the making of such payment will violate Federal securities laws or other applicable law, provided the delay complies with the conditions in 26 CFR section 1.409A-2(b)(7)(ii).

(3) Upon such other events and conditions as the Commissioner of the Internal Revenue Service may prescribe in generally applicable guidance published in the Internal Revenue Bulletin.

(4) Upon a change in control event, provided the delay complies with conditions in 26 CFR section 1.409A-3(i)(5)(iv).

(h) Notwithstanding anything herein to the contrary, the Administrator may provide an election to change the time or form of a payment hereunder to satisfy the requirements of the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended, 38 USC sections 4301 through 4344.

8.02. **Notice to Trustee**. The Administrator will provide direction to the Trustee, as provided in the Trust agreement, whenever any Participant or Beneficiary is entitled to receive benefits under the Plan. The Administrator's notice shall indicate the form, amount and frequency of benefits that such Participant or Beneficiary shall receive.

8.03. **Unforeseeable Emergency Withdrawals**. Notwithstanding anything herein to the contrary, a Participant may apply to the Administrator to withdraw some or all of his Account if such withdrawal is made on account of an unforeseeable emergency as determined by the Administrator in accordance with the requirements of and subject to the limitations provided in 26 CFR section 1.409A-3(i)(3).

Article 9. Amendment and Termination.

9.01. **Amendment by Employer**. The Employer reserves the authority to amend the Plan in its discretion. Any such amendment notwithstanding, no Participant's Account shall be reduced by such amendment below the amount to which the Participant would have been entitled if he had voluntarily left the employ of the Employer immediately prior to the date of the change;

9.02. **Termination**. The Employer has no obligation or liability whatsoever to maintain the Plan for any length of time and may terminate the Plan at any time by written notice delivered to the Trustee without any liability hereunder for any such discontinuance or termination. Such termination shall comply with 26 CFR section l .409A-3(j)(ix) and other applicable guidance.

Article 10. Miscellaneous.

10.01. **Communication to Participants**. The Plan will be communicated to all Participants by the Employer promptly after the Plan is adopted.

10.02. **Limitation of Rights.** Neither the establishment of the Plan and the Trust, nor any amendment thereof, nor the creation of any fund or account, nor the payment of any benefits, will be construed as giving to any Participant or other person any legal or equitable right against the Employer, Administrator or Trustee, except as provided herein; in no event will the terms of employment or service of any individual be modified or in any way affected hereby.

10.3. **Nonalienability of Benefits**. The benefits provided hereunder will not be subject to alienation, assignment, garnishment, attachment, execution or levy of any kind, either voluntarily or involuntarily, and any attempt to cause such benefits to be so subjected will not be recognized, except to such extent as may be required by law and as provided pursuant to a domestic relations order (defined in Code section 414(p)(1)(B)), as determined by the Administrator. Pursuant to a domestic relations order, payments may be accelerated to a time sooner, and pursuant to a schedule more rapid, than the time and schedule applicable in the absence of the domestic relations order, provided that such payment pursuant to such order is not made to the Participant and provided further that this provision shall not be construed to provide the Participant discretion regarding whether such payment time or schedule will be accelerated.

10.4. **Facility of Payment**. In the event the Administrator determines, on the basis of medical reports or other evidence satisfactory to the Administrator, that the recipient of any benefit payments under the Plan is incapable of handling his affairs by reason of minority, illness, infirmity or other incapacity, the Administrator may disburse such payments, or direct the Trustee to disburse such payments, as applicable, to a person or institution designated by a court which has jurisdiction over such recipient or a person or institution otherwise having the legal authority under State law for the care and control of such recipient. The receipt by such person or institution of any such payments shall be complete acquittance therefor, and any such payment to the extent thereof, shall discharge the liability of the Trust for the payment of benefits hereunder to such recipient.

10.05. **Plan Records**. The Administrator shall maintain the records of the Plan on a calendar-year basis.

10.6. **USERRA**. Notwithstanding anything herein to the contrary, the Administrator shall permit any Participant election and make any payments hereunder required by the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended, 38 USC 4301-4334.

10.7. **Governing Law**. The Plan and the accompanying Adoption Agreement will be construed, administered and enforced according to ERISA, and to the extent not preempted thereby, the laws of the State in which the Employer has its principal place of business, without regard to the conflict of laws principles of such State.

Article 11. Plan Administration.

11.01. **Powers and Responsibilities of the Administrator**. The Administrator has the full power and the full responsibility to administer the Plan in all of its details, subject, however, to the applicable requirements of ERISA. The Administrator's powers and responsibilities include, but are not limited to, the following:

(a) To make and enforce such rules and regulations as it deems necessary or proper for the efficient administration of the Plan;

(b) To interpret the Plan, its interpretation thereof in good faith to be final and conclusive on all persons claiming benefits under the Plan;

(c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;

(d) To administer the claims and review procedures specified in Section 11.02;

(e) To compute the amount of benefits which will be payable to any Participant, former Participant or Beneficiary in accordance with the provisions of the Plan;

(f) To determine the person or persons to whom such benefits will be paid;

(g) To authorize the payment of benefits;

(h) To appoint such agents, counsel, accountants, and consultants as may be required to assist in administering the Plan; and

(i) By written instrument, to allocate and delegate its responsibilities, including the formation of an administrative committee to administer the Plan.

11.02. **Claims and Review Procedures.**

(a) Claims Procedure. If any person believes he is being denied any rights or benefits under the Plan, such person may file a claim in writing with the Administrator. If any such claim is wholly or partially denied, the Administrator will notify such person of its decision in writing. Such notification will contain (i) specific reasons for the denial, (ii) specific reference to pertinent Plan provisions, (iii) a description of any additional material or information necessary for such person to perfect such claim and an explanation of why such material or information is necessary, and (iv) information as to the steps to be taken if the person wishes to submit a request for review, including a statement of the such

person's right to bring a civil action under ERISA section 502(a) following as adverse determination upon review. Such notification will be given within 90 days after the claim is received by the Administrator (or within 180 days, if special circumstances require an extension of time for processing the claim, and if written notice of such extension and circumstances is given to such person within the initial 90-day period).

If the claim concerns disability benefits under the Plan, the Plan Administrator must notify the claimant in writing within 45 days after the claim has been filed in order to deny it. If special circumstances require an extension of time to process the claim, the Plan Administrator must notify the claimant before the end of the 45-day period that the claim may take up to 30 days longer to process. If special circumstances still prevent the resolution of the claim, the Plan Administrator may then only take up to another 30 days after giving the claimant notice before the end of the original 30-day extension. If the Plan Administrator gives the claimant notice that the claimant needs to provide additional information regarding the claim, the claimant must do so within 45 days of that notice.

(b) Review Procedure. Within 60 days after the date on which a person receives a written notice of a denied claim (or, if applicable, within 60 days after the date on which such denial is considered to have occurred), such person (or his duly authorized representative) may (i) file a written request with the Administrator for a review of his denied claim and of pertinent documents and (ii) submit written issues and comments to the Administrator. This written request may include comments, documents, records, and other information relating to the claim for benefits. The claimant shall be provided, upon the claimant's request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits. The review will take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The Administrator will notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain specific reasons for the decision as well as specific references to pertinent Plan provisions. The decision on review will be made within 60 days after the request for review is received by the Administrator (or within 120 days, if special circumstances require an extension of time for processing the request, such as an election by the Administrator to hold a hearing, and if written notice of such extension and circumstances is given to such person within the initial 60-day period). The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the determination on review.

If the initial claim was for disability benefits under the Plan and has been denied by the Plan Administrator, the claimant will have 180 days from the date the claimant received notice of the claim's denial in which to appeal that decision. The review will be handled completely independently of the findings and decision made regarding the initial claim and will be processed by an individual who is not a subordinate of the individual who denied the initial claim. If the claim requires medical judgment, the individual handling the appeal will consult with a medical professional whom was not consulted regarding the initial claim and who is not a subordinate of anyone consulted regarding the initial claim and identify that medical professional to the claimant.

The Plan Administrator shall provide the claimant with written notification of a plan's benefit determination on review. In the case of an adverse benefit determination, the notification shall set forth, in a manner calculated to be understood by the claimant – the specific reason or reasons for

the adverse determinations, reference to the specific plan provisions on which the benefit determination is based, a statement that the claimant is entitled to receive, upon the claimant's request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits.

The CORPORATE*plan for Retirement*[SM]
EXECUTIVE PLAN

Adoption Agreement

IMPORTANT NOTE

This document has not been approved by the Department of Labor, the Internal Revenue Service or any other governmental entity. An Employer must determine whether the plan is subject to the Federal securities laws and the securities laws of the various states. An Employer may not rely on this document to ensure any particular tax consequences or to ensure that the Plan is "unfunded and maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees" under the Employee Retirement Income Security Act with respect to the Employer's particular situation. Fidelity Management Trust Company, its affiliates and employees cannot and do not provide legal or tax advice or opinions in connection with this document. This document does not constitute legal or tax advice or opinions and is not intended or written to be used, and it cannot be used by any taxpayer, for the purposes of avoiding penalties that may be imposed on the taxpayer. This document must be reviewed by the Employer's attorney prior to adoption.

Plan Number: 44317
(07/2007)

ECM NQ 2007 AA
12/072017

ADOPTION AGREEMENT

ARTICLE 1

1.01 PLAN INFORMATION.

(a) Name of Plan:

This is the EchoStar Non-Qualified Plan (the "Plan").

(b) Plan Status (*Check one*):

(1) Adoption Agreement effective date: 01/01/2008.

(2) The Adoption Agreement effective date is (*Check (A) or check and complete (B)*):

(A) ☐ A new Plan effective date.

(B) ☒ An amendment and restatement of the Plan. The original effective date of the Plan was: 04/23/2005.

(c) Name of Administrator, if not the Employer:

_____

1.02 EMPLOYER

(a) Employer Name: EchoStar Corporation

(b) The term "Employer" includes the following Related Employer(s) (as defined in Section 2.01(a)(25)) participating in the Plan:

Hughes Communications, Inc.

1.03 COVERAGE

(Check (a) and/or (b).)

(a) ☒ The following Employees are eligible to participate in the Plan *(Check (1) or (2)):*

(1) ☐ Only those Employees designated in writing by the Employer, which writing is hereby incorporated herein.

(2) ☒ Only those Employees in the eligible class described below:

Assistant Vice President and above.

(b) ☐ The following Directors are eligible to participate in the Plan *(Check (1) or (2)):*

(1) ☐ Only those Directors designated in writing by the Employer, which writing is hereby incorporated herein.

(2) ☐ All Directors, effective as of the later of the date in 1.01 (b) or the date the Director becomes a Director.

(Note: A designation in Section 1.03(a)(1) or Section 1.03(b)(1) or a description in Section 1.03(a)(2) must include the effective date of such participation.)

1.04 COMPENSATION

(If Section 1.03(a) is selected, select (a) or (b). If Section 1.03(b) is selected, complete (c))

For purposes of determining all contributions under the Plan:

(a) ☒ Compensation shall be as defined, with respect to Employees, in the Hughes Network Systems LLC 401(k) Plan maintained by the Employer:

(1) ☒ to the extent it is in excess of the limit imposed under Code section 401(a)(17).

(2) ☐ notwithstanding the limit imposed under Code section 401(a)(17).

(b) ☐ Compensation shall be as defined in Section 2.01(a)(9) with respect to Employees *(Check (1), and/or (2) below. if, and as, appropriate):*

(1) ☐ but excluding the following:

(2) ☐ but excluding bonuses, except those bonuses listed in the table in Section 1.05(a)(2).

(c) ☐ Compensation shall be as defined in Section 2.01(a)(9)(c) with respect to Directors, but excluding the following:

1.05 CONTRIBUTIONS ON BEHALF OF EMPLOYEES

(a) Deferral Contributions (*Complete all that apply*):

(1) ☒ Deferral Contributions. Subject to any minimum or maximum deferral amount provided below, the Employer shall make a Deferral Contribution in accordance with, and subject to, Section 4.01 on behalf of each Participant who has an executed salary reduction agreement in effect with the Employer for the applicable calendar year (or portion of the applicable calendar year).

Deferral Contributions Type of Compensation	Dollar Amount		% Amount	
	Min	Max	Min	Max
Compensation			0	16

(Note: With respect to each type of Compensation, list the minimum and maximum dollar amounts or percentages as whole dollar amounts or whole number percentages.)

(2) ☒ Deferral Contributions with respect to Bonus Compensation only. The Employer requires Participants to enter into a special salary reduction agreement to make Deferral Contributions with respect to one or more Bonuses, subject to minimum and maximum deferral limitations, as provided in the table below.

Deferral Contributions Type of Bonus	Treated As		Dollar Amount		% Amount	
	Performance Based	Non- Performance Based	Min	Max	Min	Max
Bonus Compensation		Yes			0	16

(Note: With respect to each type of Bonus, list the minimum and maximum dollar amounts or percentages as whole dollar amounts or whole number percentages. In the event a bonus identified as a Performance-based Bonus above does not constitute a Performance-based Bonus with respect to any Participant, such Bonus will be treated as a Non-Performance-based Bonus with respect to such Participant.)

(b) Matching Contributions *(Choose (1) or (2) below, and (3) below, as applicable):*

(1) ☒ The Employer shall make a Matching Contribution on behalf of each Employee Participant in an amount described below:

(A) ☐ ____% of the Employee Participant's Deferral Contributions for the calendar year.

(B) ☒ The amount, if any, declared by the Employer in writing, which writing is hereby incorporated herein.

(C) ☐ Other: _____

_____

(2) ☐ Matching Contribution Offset. For each Employee Participant who has made elective contributions (as defined in 26 CFR section l .401(k)-6 ("QP Deferrals")) of the maximum permitted under Code section 402(g), or the maximum permitted under the terms of the _____ Plan (the "QP"), to the QP, the Employer shall make a Matching Contribution in an amount equal to (A) minus (B) below:

(A) The matching contributions (as defined in 26 CFR section 1.401(m)-l (a)(2) ("QP Match")) that the Employee Participant would have received under the QP on the sum of the Deferral Contributions and the Participant's QP Deferrals, determined as though—

- no limits otherwise imposed by the tax law applied to such QP match; and
- the Employee Participant's Deferral Contributions had been made to the QP.

(B) The QP Match actually made to such Employee Participant under the QP for the applicable calendar year.

Provided, however, that the Matching Contributions made on behalf of any Employee Participant pursuant to this Section I .05(b)(2) shall be limited as provided in Section 4.02 hereof.

(3) ☐ Matching Contribution Limits (*Check the appropriate box (es)*):

(A) ☐ Deferral Contributions in excess of _____% of the Employee Participant's Compensation for the calendar year shall not be considered for Matching Contributions.

(B) ☐ Matching Contributions for each Employee Participant for each calendar year shall be limited to $_____

(c) Employer Contributions

(1) ☐ Fixed Employer Contributions. The Employer shall make an Employer Contribution on behalf of each Employee Participant in an amount determined as described below:

_____

_____

(2) ☒ Discretionary Employer Contributions. The Employer may make Employer Contributions to the accounts of Employee Participants in any amount (which amount may be zero), as determined by the Employer in its sole discretion from time to time in a writing, which is hereby incorporated herein.

1.06 CONTRIBUTIONS ON BEHALF OF DIRECTORS

(a) ☐ Director Deferral Contributions

The Employer shall make a Deferral Contribution in accordance with, and subject to, Section 4.01 on behalf of each Director Participant who has an executed deferral agreement in effect with the Employer for the applicable calendar year (or portion of the applicable calendar year), which deferral agreement shall be subject to any minimum and/or maximum deferral amounts provided in the table below.

Deferral Contributions Type of Compensation	Dollar Amount		% Amount	
	Min	Max	Min	Max

(Note: With respect to each type of Compensation, list the minimum and maximum dollar amounts or percentages as whole dollar amounts or whole number percentages.)

(b) Matching and Employer Contributions:

(1) ☐ Matching Contributions. The Employer shall make a Matching Contribution on behalf of each Director Participant in an amount determined as described below:

_____

_____

(2) ☐ Fixed Employer Contributions. The Employer shall make an Employer Contribution on behalf of each Director Participant in an amount determined as described below:

_____

_____

(3) ☐ Discretionary Employer Contributions. The Employer may make Employer Contributions to the accounts of Director Participants in any amount (which amount may be zero), as determined by the Employer in its sole discretion from time to time, in a writing, which is hereby incorporated herein.

1.07 DISTRIBUTIONS

The form and timing of distributions from the Participant's vested Account shall be made consistent with the elections in this Section 1.07.

(a) (1) Distribution options to be provided to Participants

	(A) Specified Date	(B) Specified Age	(C) Separation From Service	(D) Earlier of Separation or Age	(Earlier of Separation or Specified Date	(F) Disability	(G) Change in Control	(H) Death
Deferral Contribution	☐ Lump Sum ☐ Installments	☐ Lump Sum ☐ Installments	☒ Lump Sum ☒ Installments	☐ Lump Sum ☐ Installments	☐ Lump Sum ☐ Installments	☐ Lump Sum ☐ Installments	☐ Lump Sum	☐ Lump Sum ☐ Installments
Matching Contributions	☐ Lump Sum ☐ Installments	☐ Lump Sum ☐ Installments	☒ Lump Sum ☒ Installments	☐ Lump Sum ☐ Installments	☐ Lump Sum ☐ Installments	☐ Lump Sum ☐ Installments	☐ Lump Sum	☐ Lump Sum ☐ Installments
Employer Contributions	☐ Lump Sum ☐ Installments	☐ Lump Sum ☐ Installments	☒ Lump Sum ☐ Installments	☐ Lump Sum ☐ Installments	☐ Lump Sum ☐ Installments	☐ Lump Sum ☐ Installments	☐ Lump Sum	☐ Lump Sum ☐ Installments

(Note: If the Employer elects (F), (G), or (H) above, the Employer must also elect (A), (B), (C), (D), or (E) above, and the Participant must also elect (A), (B), (C), (D), or (E) above. In the event the Employer elects only a single payment trigger and/or payment method above, then such single payment trigger and/or payment method shall automatically apply to the Participant. If the employer elects to provide for payment upon a specified date or age, and the employer applies a vesting schedule to amounts that may be subject to such payment trigger(s), the employer must apply a minimum deferral period, the number of years of which must be greater than the number of years required for 100% vesting in any such amounts. If the employer elects to provide for payment upon disability and/or death, and the employer applies a vesting schedule to amounts that may be subject to such payment trigger, the employer must also elect to apply 100% vesting in any such amounts upon disability and/or death.)

(2) ☒ A Participant incurs a Disability when the Participant (*Check at least one if Section 1.07(a)(1)(F) or if Section 1.08(e)(3) is elected*):

(A) ☒ is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

(B) ☐ is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous· period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Employer.

(C) ☐ is determined to be totally disabled by the Social Security Administration or the Railroad Retirement Board.

(D) ☐ is determined to be disabled pursuant to the following disability insurance program:__the definition of disability under which complies with the requirements in regulations under Code section 409A.

(Note: If more than one box above is checked, then the Participant will have a Disability if he satisfies at least one of the descriptions corresponding to one of such checked boxes.)

(3) ☐ Regardless of any payment trigger and, as applicable, payment method, to which the Participant would otherwise be subject pursuant to (1) above, the first to occur of the following Plan-level payment triggers will cause payment to the Participant commencing pursuant to Section 1.07(c)(1) below in a lump sum, provided such Plan-level payment trigger occurs prior to the payment trigger to which the Participant would otherwise be subject.

Payment Trigger

(A) ☐ Separation from Service prior to:__

(B) ☐ Separation from Service

(C) ☒ Death

(D) ☒ Change in Control

(b) Distribution Election Change

A Participant

(1) ☐ shall

(2) ☒ shall not

be permitted to modify a scheduled distribution election in accordance with Section 8.01(b) hereof.

(c) Commencement of Distributions

(1) Each lump sum distribution and the first distribution in a series of installment payments (if applicable) shall commence as elected in (A), (B) or (C) below:

(A) ☒	Monthly on the 8th day of the month which day next follows the applicable triggering event described in 1.07(a).
(B) ☐	Quarterly on the 8th day of the following months _____, _____, _____, or _____ (list one month in each calendar quarter) which day next follows the applicable triggering event described in 1.07(a).
(C) ☐	Annually on the 8th day of _____ (month) which day next follows the applicable triggering event described in 1.07(a).

(Note: Notwithstanding the above: a six-month delay shall be imposed with respect to certain distributions to Specified Employees; a Participant who chooses payment on a Specified Date will choose a month, year or quarter (as applicable) only, and payment will be made on the applicable date elected in (A), (B) or (C) above that falls within such month, year or quarter elected by the Participant.)

(2) The commencement of distributions pursuant to the events elected in Section 1.07(a)(1) and Section 1.07(a)(3) shall be modified by application of the following:

(A) ☐ Separation from Service Event Delay - Separation from Service will be treated as not having occurred for months after the date of such event.

(B) ☐ Plan Level Delay - all distribution events (other than those based on Specified Date or Specified Age) will be treated as not having occurred for days (insert number of days but not more than 30).

(d) Installment Frequency and Duration

If installments are available under the Plan pursuant to Section 1.07(a), a Participant shall be permitted to elect that the installments will be paid (*Complete 1 and 2 below*):

(1) at the following intervals:

(A) ☐ Monthly commencing on the day elected in Section 1.07(c)(1).

(B) ☐ Quarterly commencing on the day elected in Section 1.07(c)(1) (with payments made at three-month intervals thereafter).

(C) ☒ Annually commencing on the day elected in Section 1.07(c)(1).

(2) over the following term(s) *(Complete either (A) or (B)):*

(A) ☐ Any term of whole years between _ (minimum of 1) and _ (maximum of 30).

(B) ☐ Any of the whole year terms selected below.

☐ 1	☐ 2	☐ 3	☐ 4	☒ 5	☐ 6
☐ 7	☐ 8	☐ 9	☐ 10	☐ 11	☐ 12
☐ 13	☐ 14	☐ 15	☐ 16	☐ 17	☐ 18
☐ 19	☐ 20	☐ 21	☐ 22	☐ 23	☐ 24
☐ 25	☐ 26	☐ 27	☐ 28	☐ 29	☐ 30

(Note: Only elect a term of one year if Section 1.07(d)(1)(A) and/or Section 1.07(d)(1)(B) is elected above.)

(e) Conversion to Lump Sum

☐ Notwithstanding anything herein to the contrary, if the Participant's vested Account at the time such Account becomes payable to him hereunder does not exceed $_____ distribution of the Participant's vested Account shall automatically be made in the form of a single Jump sum at the time prescribed in Section 1.07(c)(1).

(f) Distribution Rules Applicable to Pre-effective Date Accruals

☐ Benefits accrued under the Plan (subject to Code section 409A) prior to the date in Section 1.01(b)(1) above are subject to distribution rules not described in Section 1.07(a) through (e), and such rules are described in Attachment A Re: PRE EFFECTIVE DATE ACCRUAL DISTRIBUTION RULES.

1.08 VESTING SCHEDULE

(a) (1) The Participant's vested percentage in Matching Contributions elected in Section 1.05(b) shall be based upon the following schedule and unless Section 1.08(a)(2) is checked below will be based on the elapsed time method as described in Section 7.03(b).

Years of Service	Vesting %
1	0
2	0
3	100

(2) ☐ Vesting shall be based on the class year method as described in Section 7.03(c).

(b) (1) The Participant's vested percentage in Employer Contributions elected in Section 1.05(c) shall be based upon the following schedule and unless Section 1.05(b)(2) is checked below will be based on the elapsed time method as described in Section 7.03(b).

Years of Service	Vesting %
0	100

(2) ☐ Vesting shall be based on the class year method as described in Section 7.03(c).

(c) ☒ Years of Service shall exclude (*Check one*):

(1) ☐ for new plans, service prior to the Effective Date as defined in Section 1.01(b)(2)(A).

(2) ☒ for existing plans converting from another plan document, service prior to the original Effective Date as defined in Section 1.01(b)(2)(B).

(Note: Do not elect to apply this Section 1.08(c) if vesting is based only on the class year method.)

(d) ☐ Notwithstanding anything to the contrary herein, a Participant will forfeit his Matching Contributions and Employer Contributions (regardless of whether vested) upon the occurrence of the following event(s):

(Note: Contributions with respect to Directors, which are 100% vested at all times, are subject to the rule in this subsection (d).)

(e) A Participant will be 100% vested in his Matching Contributions and Employer Contributions upon (*Check the appropriate box(es)*):

(1) ☒ Retirement eligibility is the date the Participant attains age 65 and completes 0 Years of Service, as defined in Section 7.03(b).

(2) ☒ Death.

(3) ☒ The date on which the Participant becomes disabled, as determined under Section 1.07(a)(2).

(Note: Participants will automatically vest upon Change in Control if Section 1.07(a)(1)(G) is elected.)

(f) ☒ Years of Service in Section 1.08(a)(1) and Section 1.08(b)(1) shall include service with the following employers:

Hughes Network Systems, Inc.
Hughes Communication Inc.
Hughes Communications

1.09 INVESTMENT DECISIONS

A Participant's Account shall be treated as invested in the Permissible Investments as directed by the Participant unless otherwise provided below:

1.10 ADDITIONAL PROVISIONS

The Employer may elect Option below and complete the Superseding Provisions Addendum to describe overriding provisions that are not otherwise reflected in this Adoption Agreement.

☒ The Employer has completed the Superseding Provisions Addendum to reflect the provisions of the Plan that supersede provisions of this Adoption Agreement and/or the Basic Plan Document.

ATTACHMENT A

Re: PRE EFFECTIVE DATE ACCRUAL DISTRIBUTION RULES

Plan Name: EchoStar Non-Qualified Plan

ATTACHMENT B

Re: SUPERSEDING PROVISIONS
for
Plan Name: EchoStar Non-Qualified Plan

(a) Superseding Provision(s) - The following provisions supersede other provisions of this Adoption Agreement and/or the Basic Plan Document as described below:

A Participant shall be 100% vested in his Matching Contributions if their employment with the Employer is terminated due to layoffs.

ECHOSTAR CORPORATION
EMPLOYEE STOCK OPTION AGREEMENT

This Stock Option Agreement (the "Agreement") is entered into effective as of [Grant Date] (the "Grant Date"), by and between EchoStar Corporation, a Nevada corporation (the "Company"), and [Participant Name] ("Grantee").

RECITAL

WHEREAS, the Company, pursuant to its 2017 Stock Incentive Plan (as amended from time to time, the "Plan") desires to grant this stock option to Grantee, and Grantee desires to accept such stock option, each under the terms and conditions set forth in this Agreement; and

WHEREAS, the Option (as defined below) is intended to be consideration in exchange for the covenants herein contained and not in exchange for any right with respect to continuance of employment with or service to the Company or any of its direct or indirect subsidiaries.

AGREEMENT

NOW, THEREFORE, in consideration of the premises, the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Grant of Option

The Company hereby grants to Grantee, as of the Grant Date, the right and option (hereinafter called the "Option") to purchase all or any part of an aggregate of [Number of Options Granted] shares of the Class A common stock of the Company, par value $0.001 per share (the "Common Shares"), at the price of $[Grant Price] per share (the "Option Price"), on the terms and conditions set forth in this Agreement, which price is equal to or greater than the fair market value of a Common Share on the Grant Date (or the last trading day prior to the Grant Date, if the Grant Date was not a trading day). The Option Price is subject to adjustment as provided in this Agreement and the Plan. The Option is intended to be an incentive stock option (an "ISO") within the meaning of the Internal Revenue Code of 1986, as amended, and regulations thereunder (the "Code") to the full extent permitted under the provisions of the Code; provided that any portion of the Option that is not eligible to be an ISO under the Code shall be a non-statutory stock option that does not qualify as an "incentive stock option" within the meaning of the Code. Grantee understands, acknowledges, agrees and hereby stipulates that to the extent that the aggregate fair market value (as determined by the Company in its sole and absolute discretion for any reason or no reason at any time and from time to time as of the Grant Date) of the Common Shares with respect to which all ISOs are exercisable for the first time by Grantee during any calendar year exceeds one-hundred thousand dollars ($100,000), in accordance with Section 422(d) of the Code, such options, including without limitation, all or a portion of the Option, shall be treated as options that do not qualify as ISOs.

Notwithstanding anything in the Plan to the contrary, this Agreement and the Option granted hereunder shall be null and void and of no further force and effect unless and until the Grantee shall have accepted and acknowledged this Agreement within thirty (30) days after the Grant Date by following the current procedures implemented by the Company's administrator for the Plan (the "Administrator"), as such Administrator and procedures are designated by the Company in its sole and absolute discretion for any reason or no reason from time to time.

2. Duration and Exercisability

(a) Subject to the terms and conditions set forth in this Agreement and the Plan and Grantee being an employee of the Company or its direct or indirect subsidiaries, if any, on each of the following vesting dates, the Option shall vest on, and may be exercised by Grantee in accordance with the following vesting schedule: [_____]

Notwithstanding the foregoing, vesting of the Option shall immediately cease upon the occurrence of any of the events provided for in Sections 3(a)-(d), as applicable.

(b) Except as permitted pursuant to the Plan, (i) during the lifetime of Grantee, the Option shall be exercisable only by Grantee or, if permissible under applicable law, by Grantee's guardian or legal representative, (ii) the Option shall not be assignable or transferable by Grantee, other than by will or the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code, Title I of the Employee Retirement Income Security Act, or the rules promulgated thereunder, and (iii) the Option may not be sold, assigned, transferred or otherwise disposed of, or pledged, alienated, attached, hypothecated, or otherwise encumbered in any manner (whether by operation of law or otherwise), and will not be subject to execution, attachment or other process. Any purported sale, assignment, transfer, pledge, alienation, attachment or encumbrance in violation of the terms of this Agreement or the Plan shall be void and unenforceable against the Company or any of its subsidiaries. Any sale, assignment, transfer, pledge, hypothecation, or other disposition of the Option or any attempt to make any such levy of execution, attachment or other encumbrance will cause the Option to terminate immediately, unless the Board of Directors of the Company or the Committee (as defined in the Plan), in their sole and absolute discretion for any reason or no reason at any time and from time to time, specifically waives applicability of this provision.

(c) Notwithstanding any other provisions in this Agreement or the Plan, the Option shall expire and terminate, and shall cease to be exercisable, on [insert date that is [XX] years after the Grant Date] (the "Expiration Date").

(d) The Company assumes no responsibility for individual income taxes, penalties or interest related to the grant, vesting, forfeiture, termination, recoupment, adjustment or exercise of the Option or any subsequent disposition of Common Shares. Additionally, the Company assumes no responsibility in the event that the Option or any portion thereof is ultimately determined to not be an ISO or the tax treatment therefore is ultimately determined to be other than the tax treatment afforded for ISOs, whether such other treatment is the result of changes in the tax laws, a disqualifying disposition by Grantee, or for any other reason. **Grantee should consult with Grantee's personal tax advisor regarding the tax ramifications, if any, which result from the grant, vesting, adjustment, forfeiture, termination, recoupment or exercise of the Option, and any subsequent disposition of Common Shares.** If, in the Company's sole and absolute discretion for any reason or no reason at any time and from time to time, it is necessary or appropriate to collect or withhold federal, state or local taxes in connection with the grant, vesting, forfeiture, termination, recoupment, adjustment or exercise of any portion of the Option and/or any subsequent disposition of Common Shares, the Company shall be entitled to require the payment of such amounts as a condition to exercise. Prior to any relevant taxable or tax withholding event, as applicable, Grantee shall pay or make arrangements satisfactory to the Company to satisfy all withholding obligations. In furtherance and without limiting the generality of the foregoing, Grantee (on its own behalf and on behalf of each and every other proper party as described in Section 2(b) and/or Section 3(c) of this Agreement) hereby authorizes the Company, in its sole and absolute discretion for any reason or no reason at any time and from time to time (including without limitation, pursuant to the then-current procedures implemented by the Administrator, as such Administrator and procedures are designated by the Company in its sole and absolute discretion for any reason or no reason at any time and from time to time), to satisfy all withholding and all other obligations with regard to any individual income taxes, penalties or interest related to the

grant, vesting, forfeiture, termination, recoupment, adjustment or exercise of the Option and/or any subsequent disposition of Common Shares by one or a combination of the following:

i. withholding from any wages or other cash or equity compensation payable to Grantee by the Company;

ii. withholding Common Shares that are otherwise issuable upon exercise of the Option;

iii. arranging for the sale of Common Shares that are otherwise issuable upon exercise of the Option, including, without limitation, selling Common Shares as part of a block trade with other grantees under the Plan or otherwise; and/or

iv. withholding from the proceeds of the sale of Common Shares issued upon exercise of the Option or other Common Shares issuable to the Grantee.

(e) In accepting the terms and conditions of this Agreement and the Option and in considering the exercise of the Option, Grantee understands, acknowledges, agrees and hereby stipulates that he or she has used and shall use the same independent investment judgment that Grantee would use in making other investments in corporate securities. Among other things, stock prices will fluctuate over any reasonable period of time and the price of the Common Shares may go down as well as up. No guarantees are made as to the future prospects of the Company or the Common Shares, or that any market for sale of the Common Shares will exist in the future. No representations are made by the Company except as may be contained in any active registration statement on file with the United States Securities and Exchange Commission ("SEC") relating to the Plan at the time of the applicable exercise of the Option.

3. Effect of Termination of Employment; Violation of Covenants; Covenants Found Unenforceable; Death or Disability; Demotion

(a) In the event that Grantee shall cease to be employed by the Company and/or its direct or indirect subsidiaries, if any, for any reason other than as a result of or in connection with Grantee's serious misconduct or violation of the covenants set forth in Section 5 of this Agreement or other circumstances as described in Section 3(b) of this Agreement or Grantee's death or disability (as described in Section 3(c) of this Agreement), Grantee shall have the right to exercise the Option at any time within one month after such cessation of employment, **but only** to the extent of the full number of vested Common Shares that Grantee was entitled to exercise under the Option on the date of such cessation of employment, subject to the conditions that (i) any vested or exercisable portion of the Option not exercised within that one month period shall terminate and cannot be exercised following expiration of that one month period, (ii) any portion of the Option not vested or otherwise not exercisable as of the date of such cessation of employment shall be deemed to have terminated and cannot be exercised as or after such date, and (iii) no portion of the Option shall be exercisable (whether vested or unvested) after the Expiration Date. The termination of the Option by reason of this Section 3(a) shall be without prejudice to any right or remedy which the Company may have against the Grantee or other holder of the Option or any Common Shares issued or issuable upon exercise of the Option.

(b) In the event that (i) Grantee shall cease to be employed by the Company and/or its direct or indirect subsidiaries, if any, by reason of Grantee's serious misconduct during the course of employment, including without limitation wrongful appropriation of the Company's or its subsidiaries' funds, theft of

the Company's or its subsidiaries' property or other reasons as determined by the Company, (ii) Grantee violates any one or more of the covenants set forth in Section 5 of this Agreement as determined by the Company, or (iii) any one or more of the covenants set forth in Section 5 of this Agreement is found to be unenforceable against the Grantee to any extent by the final non-appealable resolution of any litigation or other legal proceeding stemming from an actual, threatened, or attempted violation of any such covenants by Grantee, then the **entire** Option (both vested and unvested) shall be deemed to have terminated and cannot be exercised and no Common Shares shall be issuable in connection therewith as of the date of the earliest to occur of: (A) the serious misconduct or cessation of employment, in all cases as the Company may select and as determined by the Company; (B) any violation of the covenants set forth in Section 5 of this Agreement as determined by the Company; or (C) any finding of unenforceability against the Grantee of any one or more of the covenants set forth in Section 5 of this Agreement to any extent by the final non-appealable resolution of any litigation or other legal proceeding stemming from an actual, threatened or attempted violation of any such covenants by Grantee. The termination of the Option by reason of this Section 3(b) shall be without prejudice to any right or remedy which the Company may have against the Grantee or other holder of the Option or any Common Shares issued or issuable upon exercise of the Option. For clarification purposes, with respect to interpreting any and all violation(s) (or other logical formulation thereof such as "violates") of the covenants set forth in this Agreement (including without limitation, the covenants in Section 5 of this Agreement), such violation(s) shall include, but is not limited to, any actual, threatened or attempted violation of any such covenants by the Grantee that may result in, among other things, the Company or any of its direct or indirect subsidiaries having to seek a temporary restraining order, preliminary injunction, or other similar relief against the Grantee to attempt to prevent any such actual, threatened or attempted violation.

(c) In the event that Grantee shall die while in the employ of the Company or its direct or indirect subsidiaries, if any, or within one month after cessation of employment for reasons provided in Section 3(a) of this Agreement, or if Grantee's employment with the Company and/or its direct or indirect subsidiaries, if any, is terminated because Grantee has become disabled (within the meaning of Section 22(e)(3) of the Code and regulations thereunder) while in the employ of the Company or its direct or indirect subsidiaries, if any, and Grantee shall not have exercised the Option to the extent of the full number of vested Common Shares that Grantee was entitled to exercise under the Option as of the date of such death or termination on account of disability, as applicable, then such Option may be exercised at any time within twelve months after the date of such death or termination on account of disability, as applicable, by Grantee or the personal representatives or administrators, executor or guardians of Grantee, as applicable, or by any person or persons to whom the Option is transferred by will or the applicable laws of descent and distribution, **but only** to the extent of the full number of vested Common Shares that Grantee was entitled to exercise under the Option on the date of such death or termination on account of disability, as applicable, subject to the conditions that (i) any vested or exercisable portion of the Option not exercised within that twelve month period shall terminate and cannot be exercised following expiration of that twelve month period, (ii) any portion of the Option not vested or otherwise not exercisable as of the date of such death or termination on account of disability, as applicable, shall be deemed to have terminated and cannot be exercised as or after such date, and (iii) no portion of the Option shall be exercisable (whether vested or unvested) after the Expiration Date. The termination of the Option by reason of this Section 3(c) shall be without prejudice to any right or remedy which the Company may have against the Grantee or other holder of the Option or any Common Shares issued or issuable upon exercise of the Option.

(d) In the event that Grantee is demoted (but remains employed) by the Company or its direct and indirect subsidiaries, if any, from Grantee's current level (e.g., chairman, chief executive officer, president, executive vice president, senior vice president, vice president, director, manager, or other level held by Grantee on the date of this Agreement), the Option shall continue in force, unless otherwise terminated, **but only** to the extent of the full number of vested Common Shares that Grantee was entitled to exercise under the Option on the date of such demotion (the "Remaining Vested Options Following Demotion"), subject to the conditions that (i) any portion of the Option not vested or otherwise not

exercisable as of the date of such demotion shall be deemed to have terminated and cannot be exercised as of the date of demotion, and (ii) no portion of the Option shall be exercisable (whether vested or unvested) after the Expiration Date. The termination of the Option by reason of this Section 3(d) shall be without prejudice to any right or remedy which the Company may have against the Grantee or other holder of the Option or any Common Shares issued or issuable upon exercise of the Option.

(e) Notwithstanding any other provision in this Agreement or the Plan or any termination or expiration of the Option, the covenants set forth in Section 5 of this Agreement shall continue in force in accordance with their terms unless otherwise terminated by the Company.

4. Manner of Exercise

(a) The Option can be exercised only by Grantee or other proper party as described in Section 2(b), Section 3(c) and/or Section 4(c) of this Agreement, in whole Common Shares, upon meeting the applicable vesting requirements for the Option represented by this Agreement and by following, prior to the earlier of any forfeiture or termination or the Expiration Date, the then-current procedures implemented by the Administrator, as such Administrator and procedures are designated by the Company in its sole and absolute discretion for any reason or no reason at any time and from time to time. The instruction to exercise the Option must be made by a person entitled to exercise the Option and shall (i) include, among other things, the number of Common Shares as to which the Option is being exercised, (ii) contain a representation and agreement as to Grantee's investment intent with respect to the Common Shares in a form satisfactory to the Company (unless a Prospectus meeting applicable requirements of the Securities Act of 1933, as amended ("Securities Act"), is in effect for the Common Shares being purchased pursuant to exercise of the Option), and (iii) be accompanied by payment in full of the Option Price for all Common Shares designated in the instruction. The instruction to exercise shall be sent as set forth in Section 7(n) of this Agreement or in such other manner pursuant to the then-applicable procedures implemented by the Administrator.

(b) Except as otherwise provided for by the then-current procedures implemented by the Administrator or as otherwise specified in Section 4(c) of this Agreement, Grantee shall pay the Option Price for the Common Shares purchased in cash or by certified or bank cashier's check.

(c) If, upon the close of trading on the NASDAQ Stock Market (or, in the event that the Common Shares are no longer listed and traded on the NASDAQ Stock Market, such other stock exchange on which the Common Shares are then listed and traded) (the "Market Close") on the Expiration Date (or the last trading day prior to the Expiration Date (if the Expiration Date is not a trading day)) (the "Expiration Exercise Date"), all or any portion of the Option is vested and exercisable, then the vested and exercisable portion of the Option shall be automatically exercised upon the Market Close on the Expiration Exercise Date without any further action by Grantee (or any other proper party as described in Section 2(b) and/or Section 3(c) of this Agreement) pursuant to the applicable then-current procedures implemented by the Administrator (the "Expiration Exercise Procedures"), as such Administrator and Expiration Exercise Procedures are designated by the Company in its sole and absolute discretion for any reason or no reason at any time and from time to time.

Pursuant to the Expiration Exercise Procedures: (i) the following costs and expenses will be satisfied by withholding otherwise deliverable Common Shares to be issued upon the automatic exercise of the Option: (A) the Option Price for the full number of vested Common Shares that are automatically exercised under the Option pursuant to this Section 4(c); (B) the Administrator's fees and commissions, if any; (C) other brokerage fees and commissions, if any; and (D) all withholding and all other obligations with regard to any individual income taxes (which Grantee understands, acknowledges, agrees and hereby stipulates may be withheld at the highest then-current tax rate), penalties or interest related to the grant,

vesting, forfeiture, termination, recoupment, adjustment or exercise of the Option and/or any subsequent disposition of Common Shares in connection with the Expiration Exercise Procedures or otherwise; and (ii) the number of whole Common Shares, if any, remaining after completion of all withholding as described in subsection (i) of these Expiration Exercise Procedures shall be issued to Grantee. Without limitation of the generality of Section 2(d) of this Agreement, in the event that the amounts withheld pursuant to the Expiration Exercise Procedures are insufficient to satisfy Grantee's actual individual income tax, penalty and/or interest obligations, Grantee understands, acknowledges, agrees and hereby stipulates that Grantee, and not the Company, shall be solely responsible and liable for payment of any deficiencies. Only an Option that is "in-the-money" at Market Close on the Expiration Exercise Date shall be automatically exercised pursuant to this Section 4(c). An Option shall be considered "in-the-money" for purposes of this Section 4(c) if the fair market value of a Common Share upon the Market Close on the Expiration Exercise Date is at least one percent (1%) greater than the Option Price. Furthermore, and without limitation of the generality of the preceding sentence, any exercise of the Option that would result in the issuance of less than one whole Common Share to Grantee pursuant to the Expiration Exercise Procedures shall not be automatically exercised pursuant to this Section 4(c). Grantee (on its own behalf and on behalf of each and every other proper party as described in Section 2(b) and/or Section 3(c) of this Agreement) hereby expressly authorizes and agrees to the automatic exercise of the Option as provided in this Section 4(c) (and shall be deemed to have given all instructions and representations required under Section 4(a) of this Agreement in connection with the automatic exercise of the Option as provided in this Section 4(c)), and neither the approval of the Administrator, nor the consent of Grantee (or any other proper party as described in Section 2(b) and/or Section 3(c) of this Agreement) shall be required at the time of the automatic exercise of the Option pursuant to this Section 4(c). For the avoidance of doubt, Grantee may exercise any vested and exercisable portion of the Option prior to Market Close on the Expiration Exercise Date. **Grantee understands, acknowledges, agrees and hereby stipulates that the automatic exercise procedure pursuant to this Section 4(c) is provided solely as a convenience to Grantee as protection against Grantee's inadvertent failure to exercise all or any portion of an "in-the-money" Option that is vested and exercisable before such Option expires under this Agreement. Because any exercise of all or any portion of the Option is solely Grantee's responsibility, Grantee hereby waives and releases and agrees to indemnify and hold the Company harmless from and against any and all claims of any kind whatsoever against the Company and/or any other party (including without limitation, the Administrator and the Company's Grantees and agents) arising out of or relating to the automatic exercise procedure pursuant to this Section 4(c) (or any failure thereof), including without limitation any resulting individual income tax, penalty and/or interest liability and/or any other liability if the automatic exercise of the Option does occur, or does not occur for any reason or no reason whatsoever and/or the Option actually expires.**

(d) Unless notified by the Company or the Administrator to the contrary, the Common Shares issuable on exercise of the Option shall be deemed issued on the date specified by the Company within five (5) business days following the date that the Company determines that all requirements for issuance of the Common Shares have been properly completed, including, without limitation, payment of all applicable withholding taxes. The Company shall have no obligation to issue the Common Shares upon the exercise of any portion of the Option until it has confirmed to its satisfaction that all requirements for the issuance have been accomplished. Any notice of exercise shall be void and of no effect if all requisite events have not been accomplished.

(e) Unless the Company waives applicability of this provision, the certificate or certificates for the Common Shares, if any, as to which the Option shall be exercised or the book entries, as applicable, may be registered only in the name of Grantee (or if Grantee so requests in the notice of exercise of the Option, jointly in the name of Grantee and with a member of Grantee's family, with the right of survivorship, or in the event of the death of Grantee, in the name of such survivor of Grantee as the person with the right to exercise the Option shall designate).

5. Protection of Confidential Information and Trade Secrets

(a) Grantee shall serve the Company and its direct and indirect subsidiaries (collectively, the "Company" for purposes of this Section 5), loyally and in good faith and use Grantee's best efforts to promote the Company's interests. Grantee hereby agrees to protect from disclosure (for clarification purposes, such agreement to protect from disclosure shall include, without limitation, an agreement not to use) Confidential Information and Trade Secrets (as defined in Section 5(e) of this Agreement).

(e) Non-Disclosure and Non-Use of Confidential Information and Trade Secrets. Grantee further agrees to hold in a fiduciary capacity for the benefit of the Company any and all proprietary and confidential information, knowledge, ideas and data, including, without limitation, customer lists and the Company's trade secrets, products, processes and programs ("Confidential Information and Trade Secrets"), relating in any way to the present or future business or activities of the Company for as long as such Confidential Information and Trade Secrets remain confidential (for clarification purposes, this restriction shall include, but not be limited to, the obligation of and agreement by Grantee not to (i) disclose to, or use to or for the benefit of, any person or entity other than the Company any Confidential Information and Trade Secrets, and/or (ii) take a position where Grantee may use and/or disclose any Confidential Information and Trade Secrets). Such Confidential Information and Trade Secrets include but are not limited to: (i) the Company's financial and business information, such as capital structure, operating results, strategies and plans for future business, pending projects and proposals and potential acquisitions or divestitures; (ii) product and technical information, such as product formulations, new and innovative product ideas, proprietary credit scoring models and approaches, credit policies, new business developments, plans, designs, compilation methods, processes, procedures, program devices, data processing programs, software, software codes, hardware, firmware and research and development products; (iii) marketing information, such as new marketing ideas, mailing lists, the identity and number of the Company's customers and prospects, their names and addresses and sales and marketing plans; (iv) information about the Company's third-party agreements and any confidential or protected information disclosed to the Company by a third-party; (v) the Company's suppliers, partners, customers and prospect lists; and (vi) personnel information, such as the identity and number of the Company's other employees, their salaries, bonuses, benefits, skills, qualifications and abilities. For the avoidance of doubt and notwithstanding the foregoing, the term "trade secrets" shall mean items of Confidential Information and Trade Secrets that meet the requirements of the Uniform Trade Secrets Act, as adopted in the state of Colorado and as amended from time to time or under the Defend Trade Secrets Act, 18 U.S.C. §1833, et seq. Under the federal Defend Trade Secrets Act of 2016, Grantee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (x) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (y) is made to Grantee's attorney in relation to a lawsuit for retaliation against Grantee for reporting a suspected violation of law; or (z) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. All Confidential Information and Trade Secrets, together with all copies thereof and notes and other references thereto, shall remain the sole property of the Company. To the extent that Grantee possesses any Confidential Information and Trade Secrets or equipment belonging to the Company, Grantee agrees to deliver to the Company, immediately upon termination of employment and at any time and from time to time as the Company requests: (i) any and all documents, files, notes, memoranda, databases, computer files, and/or other computer programs reflecting any Confidential Information and Trade Secrets; and (ii) any and all computer equipment, home office equipment, automobile, or other business equipment belonging to the Company that Grantee may then possess or have under his or her control. For any equipment or devices owned by Grantee on which proprietary information of the Company is stored or accessible, Grantee shall, immediately upon or prior to termination of employment, deliver such equipment or devices to the Company so that any proprietary information may be deleted or removed. Grantee expressly authorizes the Company's designated representatives to access such equipment or devices for this limited

purpose and shall provide any passwords and/or passcodes necessary to accomplish this task. Grantee acknowledges that all Confidential Information and Trade Secrets is essential to the Company's present and future business and activities, and is therefore deemed trade secrets and is considered proprietary to, and treated as confidential by, the Company. This obligation of confidentiality is intended to supplement, and is not intended to supersede or limit, the obligations of confidentiality Grantee has to the Company by agreement, law or otherwise.

(f) Remedies. Grantee understands, acknowledges, agrees and hereby stipulates that any and all actual, threatened or attempted violations of any and all covenants in this Agreement (including, without limitation, covenants in this Section 5), challenges of or to the enforceability of any such covenants and/or findings of unenforceability of any such covenants against the Grantee to any extent by the final non-appealable resolution of any litigation or other legal proceeding stemming from a threatened or attempted violation of any such covenants by Grantee, may cause the Company irreparable harm, which may not be compensated for by monetary damages alone.

(g) Tolling. Grantee further agrees that, while the duration of the covenants contained in this Section 5 will be determined generally in accordance with the terms of each respective covenant, if Grantee violates or threatens to violate any of those covenants, or it is necessary for the Company to seek to enforce any of those covenants, Grantee agrees to an extension of the duration of such covenant on the same terms and conditions for an additional period of time equal to the time that elapses from the commencement of such violation or threat of violation to the later: of (i) the termination of such violation or threat of violation; or (ii) the final non-appealable resolution of any litigation or other legal proceeding stemming from such violation or threatened or attempted violation.

(h) No Waiver. In addition to (and without limitation of) the other terms and conditions of this Agreement, the failure of the Company to insist upon strict performance of any provision of any agreement between the Company, on the one hand, and another grantee, employee, person or entity, on the other hand, shall not be construed as a waiver of the Company's right to insist upon strict performance of each and every representation, warranty, covenant, duty and obligation of Grantee hereunder. In addition to (and without limitation of) the foregoing, the election of certain remedies by the Company with respect to the breach or default by another grantee, employee, person or entity of any agreement between the Company, on the one hand, and such other grantee, employee, person or entity, on the other hand, shall not be deemed to prejudice any rights or remedies that the Company may have at law, in equity, under contract (including without limitation this Agreement) or otherwise with respect to a similar or different breach or default hereunder by Grantee (all of which are hereby expressly reserved).

(i) Recoupment. Notwithstanding anything in this Agreement or the Plan to the contrary, Grantee's rights, payments and benefits with respect to the Option (whether vested or unvested) shall be subject to deduction, reduction, cancellation, recovery, recoupment, forfeiture and/or "clawback" as may be required to be made pursuant to the provisions of any applicable law, government regulation or stock exchange listing requirement as well as any policies of the Company that may be in effect from time to time pursuant to any law, government regulation or stock exchange listing requirement. In addition, notwithstanding anything in this Agreement or the Plan to the contrary, Grantee's rights, payments and benefits with respect to the Option (whether vested or unvested) shall be subject to deduction, reduction, cancellation, recovery, recoupment, forfeiture and/or "clawback" if: (i) Grantee ceases or has ceased to be employed by the Company or its direct or indirect subsidiaries, if any, by reason of Grantee's serious misconduct during the course of employment, including without limitation, wrongful appropriation of the Company's funds or theft of Company property; (ii) Grantee violates or has violated any of the covenants set forth in Section 5 of this Agreement as determined by the Company; or (iii) any of the covenants set forth in Section 5 of this Agreement are or were found to be unenforceable against the Grantee to any extent

by the final non-appealable resolution of any litigation or other legal proceeding stemming from an actual, threatened, or attempted violation of any such covenants by Grantee.

6. Dispute Resolution; Arbitration

(a) Grantee and the Company mutually agree that any claim, controversy and/or dispute between them, arising out of, relating to, or in connection with: (i) Grantee's application for employment, employment and/or termination of employment (collectively "Employment-Related Disputes"); and/or (ii) this Agreement (including, without limitation, an actual, threatened or attempted violation of any of the covenants set forth in Section 5 of this Agreement) ("Options Disputes") ((i) or (ii) each, a "Claim" and (i) and (ii) collectively, "Claims"), whenever and wherever brought shall be resolved by binding arbitration administered by the American Arbitration Association ("AAA"). Grantee agrees that this agreement to arbitrate is governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq., evidences a transaction involving commerce, and is fully enforceable. For purposes of this Section 6, the Company shall be defined to include EchoStar Corporation, its predecessors, direct and indirect subsidiaries and affiliates (except DISH Network Corporation and its direct and indirect subsidiaries, which are not parties to this agreement to arbitrate), its and their officers, directors, shareholders, members, owners, employees, managers, agents, and attorneys, and all successors and assigns of each of the foregoing persons and entities.

(b) For Employment-Related Disputes:

i. a party who wishes to arbitrate a Claim must prepare a written demand for arbitration ("Request for Arbitration") that identifies the claims asserted, the factual basis for each claim and the relief and/or remedy sought. That party must file the Request for Arbitration (along with a copy of this Agreement and the applicable filing fee) with the AAA by: (A) delivering them by hand to any office of the AAA; (B) mailing them by certified U.S. mail, Federal Express or United Parcel Service to American Arbitration Association, Case Filing Services, 1101 Laurel Oak Road, Suite 100, Voorhees, NJ 08043; or (C) using the AAA WebFile feature at the AAA's website: http://www.adr.org. The Request for Arbitration must be submitted to the AAA before the expiration of the applicable statute of limitations and the parties agree that the date the Request for Arbitration is received by AAA shall constitute submission for all statute of limitation purposes. Unless otherwise prohibited by law, the party initiating arbitration shall be responsible for paying an initial filing fee of $200 or an amount equal to the applicable filing fee had the claim been brought in a court of competent jurisdiction, whichever is less. The Company will pay the Employment Law Arbitrators' (as defined below) fees and any fee for administering the arbitration unless otherwise ordered by the Employment Law Arbitrators;

ii. the party initiating arbitration must deliver a copy of the Request for Arbitration to the other party by hand or certified U.S. mail at the following location: (A) to the Company - to the legal department of the Company at 100 Inverness Terrace East, Englewood, CO 80112, Attn: General Counsel; or (B) to Grantee - to the last home address that Grantee provided to the Company;

iii. three arbitrators from the AAA with expertise in employment disputes ("Employment Law Arbitrators") shall be selected, and shall conduct the arbitration, pursuant to the then-current AAA's Employment Arbitration Rules and Procedures ("AAA Employment Rules"), without incorporation of AAA's Supplementary Rules for Class Arbitration, which the parties hereby expressly disclaim. The AAA Employment Rules may be found at http://www.adr.org/, by

searching for "AAA Employment Arbitration Rules" using an internet search engine such as www.google.com, or by requesting a copy from the human resources department of the Company. Within fourteen (14) days after the receipt of the Request for Arbitration, each party shall select one arbitrator from the AAA with expertise in employment law to act as arbitrator and such arbitrators shall select the third arbitrator within 10 days of their appointment. The party-selected arbitrators will serve in a non-neutral capacity. In the event that the arbitrators selected by the parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be selected by the AAA. The arbitration shall be governed by and construed in accordance with the substantive law of the State of Colorado, without giving effect to choice of law principles. The Employment Law Arbitrators shall only have the right to render decisions that are consistent with the substantive law of the State of Colorado, and any decision rendered by the Employment Law Arbitrators shall be subject to review by any court of competent jurisdiction. Regardless of what the AAA Employment Rules state, the arbitration proceedings shall be held in the City and County of Denver, Colorado;

iv. the parties shall have the right to conduct discovery relevant and material to the outcome of the arbitration and to present witnesses and evidence as needed to present their claims and defenses, and the Employment Law Arbitrators shall resolve any discovery or evidentiary dispute. Each party shall have the right to subpoena relevant witnesses and documents, including, without limitation, documents from third parties. At least thirty days before the final hearing, the parties must exchange a list of witnesses and copies of all exhibits to be used at the arbitration hearing. The Employment Law Arbitrators may award any remedy available under applicable law, but remedies shall be limited to those that would be available to a party in his/her/its individual capacity for all Claims presented to the Employment Law Arbitrators. The Employment Law Arbitrators' decision shall be final and binding, and judgment upon the Employment Law Arbitrators' decision and/or award may be entered in any court of competent jurisdiction; provided that, the parties agree to take all reasonable steps to ensure that all pleadings, filings and papers are filed and/or entered with the court under seal and/or in a manner that would maintain their confidentiality, including, without limitation, complying with all rules of procedure and local rules for filing documents, pleadings, and papers under seal;

v. the Employment Law Arbitrators shall have the authority to hear and decide dispositive motions under the legal standards set forth in Rules 12 and 56 of the Colorado Rules of Civil Procedure, regardless of whether a Claim arises under federal or state law. The Employment Law Arbitrators shall resolve all disputes regarding the timeliness or propriety of the Request for Arbitration and apply the statute of limitations that would have applied if a Claim had been brought in a court of competent jurisdiction. The Employment Law Arbitrators shall dismiss, without limitation, any Claim that, in the absence of this Agreement, could not be brought under applicable law;

vi. the Employment Law Arbitrators shall have the exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability, or formation of this Agreement, except with respect to the "Class Action Waiver" and "Representative Action Waiver" described below. Regardless of what this Agreement and/or the AAA Employment Rules state, any dispute as to the interpretation, applicability, enforceability or formation of the Class Action Waiver

and the Representative Action Waiver may only be determined by a court of competent jurisdiction and not by the Employment Law Arbitrators; and

vii. all arbitration proceedings, including, but not limited to, claims, allegations, decisions, findings, pleadings, hearings, testimony, discovery, settlements, opinions and awards shall be confidential, except: (A) to the extent the parties otherwise agree in writing; (B) as may be otherwise appropriate in response to a request from a government agency, subpoena, or legal process; (C) as is necessary to enforce, correct, modify or vacate the Employment Law Arbitrators' award or decision; or (D) if applicable law provides to the contrary. In the event that either party initiates a court proceeding to enforce, correct, modify, or vacate the Employment Law Arbitrators' award or decision, or any other proceeding that would require disclosing the Employment Law Arbitrators' award, decision or findings, the parties agree to take all reasonable steps consistent with applicable law to ensure that all pleadings, filings and papers are filed and/or entered with the court under seal and/or in a manner that would maintain their confidentiality, including, without limitation, complying with all rules of procedure and local rules for filing documents, pleadings, and papers under seal.

(c) For Options Disputes:

i. a party who wishes to arbitrate a Claim must prepare a Request for Arbitration that identifies the claims asserted, the factual basis for each claim and the relief and/or remedy sought. That party must file the Request for Arbitration (along with a copy of this Agreement and the applicable filing fee) with the AAA by: (A) delivering them by hand to any office of the AAA; (B) mailing them by certified U.S. mail, Federal Express or United Parcel Service to American Arbitration Association, Case Filing Services, 1101 Laurel Oak Road, Suite 100, Voorhees, NJ 08043; or (C) using the AAA WebFile feature at the AAA's website: http://www.adr.org. The Request for Arbitration must be submitted to the AAA before the expiration of the applicable statute of limitations and the parties agree that the date the Request for Arbitration is received by AAA shall constitute submission for all statute of limitation purposes. Unless otherwise prohibited by law, the party initiating arbitration shall be responsible for paying an initial filing fee of $200 or an amount equal to the applicable filing fee had the claim been brought in a court of competent jurisdiction, whichever is less. The Company will pay the Commercial Law Arbitrators' (as defined below) fees and any fee for administering the arbitration unless otherwise ordered by the Commercial Law Arbitrators;

ii. the party initiating arbitration must deliver a copy of the Request for Arbitration to the other party by hand or certified U.S. mail at the following location: (A) to the Company - to the legal department of the Company at 100 Inverness Terrace East, Englewood, CO 80112, Attn: General Counsel; or (B) to Grantee - to the last home address that Grantee provided to the Company;

iii. three arbitrators from the AAA with expertise in commercial law ("Commercial Law Arbitrators") shall be selected, and shall conduct the arbitration, pursuant to the then-current AAA Commercial Dispute Resolution Procedures (the "AAA Commercial Rules"), without incorporation of the AAA Employment Rules and the AAA's Supplementary Rules for Class Arbitration, both of which the parties hereby expressly disclaim. The AAA Commercial Rules may be found at http://www.adr.org/, by searching for "AAA Commercial Dispute Resolution Procedures"

using an internet search engine such as www.google.com, or by requesting a copy from the human resources department of the Company. Within fourteen (14) days after the receipt of the Request for Arbitration, each party shall select one arbitrator from the AAA with expertise in commercial law to act as arbitrator and such arbitrators shall select the third arbitrator within 10 days of their appointment. The party-selected arbitrators will serve in a non-neutral capacity. In the event that the arbitrators selected by the parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be selected by the AAA. The arbitration shall be governed by and construed in accordance with the substantive law of the State of Colorado, without giving effect to choice of law principles. The Commercial Law Arbitrators shall only have the right to render decisions that are consistent with the substantive law of the State of Colorado, and any decision rendered by the Employment Law Arbitrators shall be subject to review by any court of competent jurisdiction. Regardless of what the AAA Commercial Rules state, the arbitration proceedings shall be held in the City and County of Denver, Colorado;

iv. the parties shall have the right to conduct discovery relevant and material to the outcome of the arbitration and to present witnesses and evidence as needed to present their claims and defenses, and the Commercial Law Arbitrators shall resolve any discovery or evidentiary dispute. Each party shall have the right to subpoena relevant witnesses and documents, including, without limitation, documents from third parties. At least thirty days before the final hearing, the parties must exchange a list of witnesses and copies of all exhibits to be used at the arbitration hearing. The Commercial Law Arbitrators may award any remedy available under applicable law, but remedies shall be limited to those that would be available to a party in his/her/its individual capacity for all Claims presented to the Commercial Law Arbitrators. The Commercial Law Arbitrators' decision shall be final and binding, and judgment upon the Commercial Law Arbitrators' decision and/or award may be entered in any court of competent jurisdiction; provided that, the parties agree to take all reasonable steps to ensure that all pleadings, filings and papers are filed and/or entered with the court under seal and/or in a manner that would maintain their confidentiality, including, without limitation, complying with all rules of procedure and local rules for filing documents, pleadings, and papers under seal;

v. the Commercial Law Arbitrators shall have the authority to hear and decide dispositive motions under the legal standards set forth in Rules 12 and 56 of the Colorado Rules of Civil Procedure, regardless of whether a Claim arises under federal or state law. The Commercial Law Arbitrators shall resolve all disputes regarding the timeliness or propriety of the Request for Arbitration and apply the statute of limitations that would have applied if a Claim had been brought in a court of competent jurisdiction. The Commercial Law Arbitrators shall dismiss, without limitation, any Claim that, in the absence of this Agreement, could not be brought under applicable law;

vi. the Commercial Law Arbitrators shall have the exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability, or formation of this Agreement, except with respect to the "Class Action Waiver" and "Representative Action Waiver" described below. Regardless of what this Agreement and/or the AAA Commercial Rules state, any dispute as to the interpretation, applicability, enforceability or formation of the Class Action Waiver and the Representative Action Waiver may only be determined by a court of competent jurisdiction and not by the Commercial Law Arbitrators; and

vii. all arbitration proceedings, including, but not limited to, claims, allegations, decisions, findings, pleadings, hearings, testimony, discovery, settlements, opinions and awards shall be confidential, except: (A) to the extent the parties otherwise agree in writing; (B) as may be otherwise appropriate in response to a request from a government agency, subpoena, or legal process; (C) as is necessary to enforce, correct, modify or vacate the Commercial Law Arbitrators' award or decision; or (D) if applicable law provides to the contrary. In the event that either party initiates a court proceeding to enforce, correct, modify, or vacate the Commercial Law Arbitrators' award or decision, or any other proceeding that would require disclosing the Commercial Law Arbitrators' award, decision or findings, the parties agree to take all reasonable steps consistent with applicable law to ensure that all pleadings, filings and papers are filed and/or entered with the court under seal and/or in a manner that would maintain their confidentiality, including, without limitation, complying with all rules of procedure and local rules for filing documents, pleadings, and papers under seal.

(d) Notwithstanding the foregoing, this agreement to arbitrate all Employment-Related Disputes and/or Options Disputes shall not apply to Grantee claims for statutory unemployment compensation benefits, statutory worker's compensation benefits, state disability insurance benefits (not including retaliation claims based upon seeking such benefits), charges filed with the National Labor Relations Board alleging violations of the National Labor Relations Act, and claims for benefits from a Company-sponsored "employee benefit plan," as that term is defined in 29 U.S.C. §1002(3).

(e) To the maximum extent allowed by applicable law, (i) Grantee and the Company agree to bring any Claim in arbitration on an individual basis only, and not as a class or collective action, (ii) Grantee and the Company waive any right for a Claim to be brought, heard, or decided as a class or collective action, and (iii) the applicable arbitrator under this Section 6 shall have no power, jurisdiction or authority to preside over a class or collective action ("Class Action Waiver"). This Class Action Waiver, however, does not prevent Grantee from joining, opting into or participating in a pending class or collective action to which Grantee is a current or purported class member as of the Grant Date. To the maximum extent allowed by applicable law, Grantee and the Company waive any right for a Claim to be brought, heard or decided as a Private Attorney General Representative Action on behalf of other grantees ("Representative Action"), and the applicable arbitrator under this Section 6 shall have no power or authority to preside over a Representative Action ("Representative Action Waiver"). The Representative Action Waiver, however, does not apply to a Claim that Grantee brings in arbitration as a private attorney general solely on his/her own behalf.

(f) In addition, each of Grantee and the Company shall have the right to seek temporary restraining orders, preliminary and/or permanent injunctions or other like emergency relief from a court where such relief is required to permit the dispute to proceed to arbitration without such party incurring irreparable harm that may not be remedied monetarily, for example, to prevent violation of: (i) non-competition agreements or obligations; (ii) non-solicitation agreements or obligations; (iii) intellectual property rights, including, but not limited to, copyrights, patent rights, trade secrets and/or proprietary business know-how; or (iv) confidential information obligations; provided that, once a court of competent jurisdiction orders or denies temporary or preliminary relief, the Claims shall then be resolved by arbitration pursuant to this Agreement. The parties mutually agree that the state and federal courts located in the City and County of Denver, Colorado shall have exclusive subject matter and personal jurisdiction to hear and decide any such action, and that any such court action shall be governed by the substantive law of the State of Colorado, without giving effect to choice of law principles. Grantee irrevocably waives, to the fullest extent permitted by law, any and all objections which he or she may now or hereafter have to the venue of

any such proceeding brought in any such court, including, without limitation, any claim that such proceeding has been brought in an inconvenient forum.

(g) Further, nothing in this Section 6 prohibits Grantee from making a report or filing an administrative charge with a federal, state or local administrative agency such as the National Labor Relations Board, the Equal Employment Opportunity Commission, the Securities and Exchange Commission or the Department of Labor. This Section 6 also does not prevent federal administrative agencies from adjudicating claims and awarding remedies based on those claims, even if the claims would otherwise be covered by this Section 6. Nothing in this Section 6 prevents or excuses a party from satisfying any conditions precedent and/or exhausting administrative remedies under applicable law before bringing a Claim in arbitration.

(h) Unless the applicable arbitrators rule otherwise (under the same standards that would apply in a court of competent jurisdiction), each party to any arbitration or court proceeding contemplated by this Section 6 shall be responsible for its own attorneys' fees and costs; provided, however, that unless otherwise required by applicable law or this Agreement, the prevailing party in any arbitration or court proceeding contemplated by this Section 6 shall be entitled to reimbursement of its, his or her reasonable attorneys' fees, costs, and expenses. Nothing in this Agreement shall require Grantee to reimburse the Company for its reasonable attorneys' fees, costs, and expenses, incurred when the Company prevails in defense of any statutory claim of unlawful discrimination, unless said claim brought by Grantee is frivolous, unreasonable or without foundation, or Grantee continues to prosecute a claim after the claim became frivolous, unreasonable or without foundation. In the event either party hereto files a judicial or administrative action asserting claims subject to this arbitration provision, and the other party successfully stays such action and/or compels arbitration of the claims made in such an action, the party filing the administrative or judicial action shall pay the other party's reasonable attorneys' fees, costs, and expenses incurred in obtaining a stay and/or compelling arbitration.

(i) This Section 6 supersedes and renders void any prior agreement(s) to arbitrate between Grantee and the Company with respect to any and all Claims under this Agreement and any other agreement(s) between the Company and/or any of its direct and indirect subsidiaries, on the one hand, and Grantee, on the other hand. For the avoidance of doubt and notwithstanding the foregoing, this Section 6 does not supersede or render void any prior agreement(s) to arbitrate between the Company and/or any of its direct and indirect subsidiaries, on the one hand, and Grantee, on the other hand with respect to any and all stock options, restricted stock units or other equity awards other than the Options Disputes for the specific Option granted under this Agreement. In the event of any conflict or inconsistency between any AAA rules and/or procedures and the terms and conditions of this Agreement, the terms and conditions of this Agreement shall control.

(j) Other than potential rights to a trial, a jury trial, and common law claims for punitive and/or exemplary damages, nothing in this agreement to arbitrate limits any statutory remedy to which Grantee or the Company may be entitled under law. The parties acknowledge that this agreement to arbitrate shall not alter the at-will nature of their employment relationship MEANING THAT GRANTEE MAY TERMINATE GRANTEE'S EMPLOYMENT WITH THE COMPANY AND/OR ANY OF ITS DIRECT AND INDIRECT SUBSIDIARIES AT ANY TIME WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE, AND THE COMPANY AND/OR ANY OF ITS DIRECT AND INDIRECT SUBSIDIARIES RESERVE THE SAME RIGHTS TO TERMINATE GRANTEE'S EMPLOYMENT AND/OR DEMOTE GRANTEE.

(k) GRANTEE AND THE COMPANY MUTUALLY AND VOLUNTARILY AGREE TO ARBITRATE ALL CLAIMS COVERED BY THIS AGREEMENT AS SET FORTH IN THIS SECTION 6. THE RIGHTS TO A TRIAL BY JURY, TO COMMON LAW CLAIMS FOR PUNITIVE AND/OR

EXEMPLARY DAMAGES, AND TO ENGAGE AND/OR PARTICIPATE IN A CLASS, COLLECTIVE OR REPRESENTATIVE ACTION ARE OF VALUE AND EXPRESSLY WAIVED PURSUANT TO THIS SECTION 6. NOTHING IN THIS SECTION 6 INFRINGES ON GRANTEE'S RIGHT TO FILE A CHARGE WITH ANY GOVERNMENT AGENCY, AND GRANTEE'S RIGHT TO SEEK ANY REMEDY AND/OR PERSONAL RECOVERY IS ONLY RESTRICTED AS SPECIFICALLY SET FORTH IN THIS SECTION 6.

7. Miscellaneous

(a) Option Subject to the Plan. The Option is issued pursuant to the Plan and is subject to its terms and conditions. The terms and conditions of the Plan are available for inspection during normal business hours at the principal offices of the Company. The Committee has final authority to decide, interpret, determine and calculate any and all aspects of the Plan in its sole and absolute discretion for any reason or no reason at any time and from time to time.

(b) No Right to Continued Employment; No Rights as Shareholder. This Agreement shall not confer upon Grantee any right with respect to continuance of employment with the Company or any of its direct or indirect subsidiaries, nor shall it interfere in any way with the right of the Company and its direct and indirect subsidiaries to terminate such employment or to demote or remove Grantee for any reason or no reason at any time and from time to time. The holder of the Option will not have any right to dividends or any other rights of a shareholder with respect to Common Shares subject to the Option until such Common Shares shall have been issued to Grantee upon valid exercise of the Option in accordance with this Agreement and the Plan (as evidenced by the records of the transfer agent of the Company).

(c) Changes in Capital Structure. If there shall be any change in the Common Shares of the Company through merger, consolidation, reorganization, recapitalization, dividend in the form of stock (of whatever amount), stock split or other change in the corporate structure of the Company, then appropriate adjustments may be made by the Company, as determined in the sole and absolute discretion of the Committee for any reason or no reason at any time and from time to time, to all or any portion of the Option that shall have not yet vested or been exercised and not yet been terminated or expired, in order to prevent dilution or enlargement of Grantee's rights under the Option. Such adjustments may include, where appropriate, changes in the number of shares of Common Shares and the price per share subject to the outstanding Option. Notwithstanding the foregoing, no action that would modify the treatment of the Option under the Code shall be effective unless agreed to in writing by both parties.

(d) Assigns and Successors. This Agreement shall inure to the benefit of the Company's assigns and successors and its and their direct and indirect subsidiaries.

(e) Compliance with Law; Legal Requirements. The Company shall at all times during the term of the Option reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Agreement. The exercise of all or any part of the Option shall only be effective at such time that the issuance and sale of Common Shares pursuant to such exercise will not violate any federal or state securities or other laws. The Company may suspend Grantee's or any holder's of the Option right to exercise the Option and shall not issue or deliver the Common Shares underlying the Option unless it is satisfied in its judgment that the issuance and sale of Common Shares will not violate any of the provisions of the Securities Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), any rules or regulations of the SEC promulgated thereunder, or the requirements of applicable state law relating to authorization, issuance or sale of securities, other applicable laws, rules and regulations or any applicable stock exchange, or any other applicable laws, rules or regulations, or until there has been compliance with the provisions of such acts, laws and rules. If the Company in its sole and absolute discretion so elects, it may register the Common Shares issuable upon the exercise of the Option under the Securities Act and list the Common Shares on any securities exchange. In the absence thereof, Grantee understands

that neither the Option nor the Common Shares issuable upon the exercise thereof will be registered under the Securities Act, or tradeable on any securities exchange, and Grantee represents that the Option is being acquired, and that such Common Shares that will be acquired pursuant to exercise of the Option, if any, will be acquired, by Grantee for investment and not with a view to distribution thereof. In the absence of an effective registration statement meeting the requirements of the Securities Act, upon any sale or transfer of the Common Shares issued pursuant to the Option, Grantee shall deliver to the Company an opinion of counsel satisfactory to the Company to the effect that the sale or transfer of the Common Shares does not violate any provision of the Securities Act or the Exchange Act. Grantee understands that the Company is under no obligation to register or qualify the Common Shares with the SEC, any state securities commission or any stock exchange to effect such compliance and that Grantee will have no recourse to or claim against the Company if the Company determines pursuant to this Section 7 that it is unable to deliver the Common Shares upon exercise of the Option. Regardless of whether the offering and sale of the Common Shares have been registered under the Securities Act, or have been registered or qualified under the securities laws of any state, the Company in its sole and absolute discretion for any reason or no reason at any time and from time to time may impose restrictions upon the sale, pledge or other transfer of such Common Shares (including the placement of appropriate legends on certificates or the imposition of stop-transfer instructions on the certificates or book entries, as applicable) if, in the judgment of the Company, such restrictions are necessary or desirable in order to achieve compliance with the Securities Act, the Exchange Act, the securities laws of any state or other jurisdiction or any other applicable laws, rules and regulations or any applicable stock exchange rules or regulations.

(f) Notice of Disposal of Common Shares; Withholding. To the extent the Option is an ISO, if Grantee shall dispose of any of the Common Shares of the Company acquired by Grantee pursuant to the exercise of such portion of the Option that is an ISO within two years from the Grant Date or within one year after the transfer of any such shares to Grantee upon exercise of such portion of the Option, then, in order to provide the Company with the opportunity to claim the benefit of any income tax deduction (if any) which may be available to it under the circumstances, Grantee shall promptly notify the Company of the dates of acquisition and disposition of such shares, the number of shares so disposed of, and the consideration, if any, received for such shares. In order to comply with all applicable federal or state income tax laws or regulations, the Company may take such action as it deems appropriate to insure: (i) notice to the Company of any disposition of the Common Shares of the Company within the time periods described above; and (ii) that, if necessary, all applicable federal or state payroll, withholding, income or other taxes are withheld or collected from Grantee.

(g) Confidential Treatment of Option. Grantee agrees to treat with confidentiality the existence, terms and conditions of this Agreement and the Option except to the extent specifically disclosed by the Company pursuant to applicable law, and agrees that failure to do so may result in immediate termination of the Option.

(h) Obligations Unaffected. Except as expressly set forth to the contrary in Section 6 of this Agreement, the obligations of Grantee under this Agreement shall be independent of, and unaffected by, and shall not affect, other agreements, if any, binding Grantee which apply to Grantee's business activities during and/or subsequent to Grantee's employment by the Company or any of its direct or indirect subsidiaries or affiliates.

(i) Survival. Any provision of this Agreement which logically would be expected to survive termination or expiration, shall survive for a reasonable time period under the circumstances, whether or not specifically provided in this Agreement. Except as set forth to the contrary in this Agreement (including, without limitation, Section 6 of this Agreement), the obligations under this Agreement also shall survive any changes made in the future to the employment terms and conditions of Grantee, including without limitation changes in salary, benefits, bonus plans, job or position title and job responsibilities.

(j) Complete Agreement; No Waiver. This Agreement constitutes the entire, final and complete understanding between the parties hereto with respect to the subject matter of this Agreement, and, except as specifically set forth in this Agreement, supersedes and replaces all previous understandings or agreements, written, oral, or implied, with respect to the subject matter of this Agreement made or existing before the date of this Agreement. Except as expressly provided by this Agreement, no waiver or modification of any of the terms or conditions of this Agreement shall be effective unless in writing and signed by both parties. The failure of any party to insist upon strict performance of any provision of this Agreement shall not be construed as a waiver of any subsequent breach of the same or similar nature.

(k) Severability. Each provision of this Agreement shall be construed as separable and divisible from every other provision, and the enforceability of any one provision shall not limit the enforceability, in whole or in part, of any other provision. Except as otherwise set forth in this Agreement, in the event that a court, arbitrator or other body of competent jurisdiction holds any provision of this Agreement to be invalid, illegal, void or less than fully enforceable as to time, scope or otherwise, the parties agree that such provision shall be construed by limiting and reducing it to the minimum extent necessary to render such provision valid, legal and enforceable while preserving to the greatest extent permissible the original intent of the parties; the remaining terms and conditions of this Agreement shall not be affected by such alteration and shall remain in full force and effect. Notwithstanding the foregoing, in the event that any one or more of the covenants set forth in Section 5 of this Agreement are found to be unenforceable against the Grantee to any extent by the final non-appealable resolution of any litigation or other legal proceeding stemming from an actual, threatened, or attempted violation of such covenants by Grantee~~,~~ then the entire Option (both vested and unvested) shall be deemed to have terminated and the Option (both vested and unvested) shall not be exercisable and no Common Shares shall be issuable in connection therewith as of the date of such finding.

(l) Summary Information. In the event that the Company provides Grantee (or anyone acting on behalf of Grantee) with summary or other information concerning, including or otherwise relating to Grantee's rights or benefits under this Agreement (including without limitation the Option, and any vesting thereof), such summary or other information shall in all cases be qualified in its entirety by this Agreement and the Plan, and, unless it explicitly states otherwise and is signed by an officer of the Company, shall not constitute an amendment or other modification hereto.

(m) Grantee Acknowledgements

(i) Grantee understands, acknowledges, agrees and hereby stipulates that he or she is executing this Agreement voluntarily and without any duress or undue influence by the Company or anyone else.

(ii) Grantee understands, acknowledges, agrees and hereby stipulates that he or she has carefully read, considered and understands all of the provisions of this Agreement, the Plan and the Company's policies reflected in this Agreement.

(iii) Grantee understands, acknowledges, agrees and hereby stipulates that he or she has asked any questions needed for him or her to understand the terms, consequences and binding effect of this Agreement and the Plan and Grantee fully understands them, including, without limitation, that he or she is waiving the right to a trial, a trial by jury, and common law claims for punitive and/or exemplary damages.

(iv) Grantee understands, acknowledges, agrees and hereby stipulates that he or she was provided an opportunity to seek the advice of an attorney and/or tax professional of his or her choice before accepting this Agreement.

(v) Grantee understands, acknowledges, agrees and hereby stipulates that the obligations and restrictions set forth in this Agreement are consistent with Grantee's right to sell his or her labor, the public's interest in unimpeded trade, are fair and reasonable, and are no broader than are reasonably required to protect the Company's interests.

(vi) Grantee understands, acknowledges, agrees and hereby stipulates that it is the Company's policy to seek legal recourse to the fullest extent possible for actual, threatened or attempted violation of, or challenges to the enforceability of, this Agreement. Grantee understands that nothing in this Agreement shall be construed to prohibit the Company from pursuing any other available remedies for such actual, threatened or attempted violation or challenges to enforceability, including, without limitation, the recovery of damages from Grantee. Grantee further agrees that, if he or she violates, threatens or attempts to violate, or challenges the enforceability of, this Agreement, it would be difficult to determine the damages and lost profits which the Company would suffer as a result thereof including, but not limited to, losses attributable to lost or misappropriated Confidential Information and Trade Secrets and losses stemming from violations of the non-disclosure, non-compete and/or non-solicitation obligations set forth above. Accordingly, Grantee agrees that if he or she violates, threatens or attempts to violate or challenges the enforceability of this Agreement, then the Company shall be entitled to an order for injunctive relief and/or for specific performance, or their equivalent, in addition to money damages and any other remedies otherwise available to it at law or equity. Such injunctive relief includes but is not limited to requirements that Grantee take action or refrain from taking action to avoid competing with the Company, to avoid soliciting the Company's employees or customers, to preserve the secrecy of Confidential Information and Trade Secrets, to not use Confidential Information and Trade Secrets, to avoid conflicts of interest and to protect the Company from irreparable harm. Grantee expressly agrees that the Company does not need to post a bond to obtain an injunction and Grantee waives the right to require such a bond.

(n) Notice. All notices to the Company shall be addressed to: EchoStar Corporation, 100 Inverness Terrace East, Englewood, Colorado, 80112, Attn: Corporate Secretary, or to such other address or person as the Company may notify Grantee from time to time. All notices to Grantee or other person or persons then entitled to exercise the Option shall be addressed to Grantee or such other person(s) at Grantee's address on file with the Company, or to such other address as Grantee or such person(s) may notify the Company or its administrator for the Option in writing from time to time.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

Upon Grantee's acceptance of the terms and conditions set forth in this Agreement through the electronic grant process available through the Administrator, this Agreement shall become effective between the parties as of the Grant Date.

ECHOSTAR CORPORATION

GRANTEE – [Participant Name] Accepted on [Acceptance Date]

ECHOSTAR CORPORATION
EXECUTIVE OFFICER STOCK OPTION AGREEMENT

This Stock Option Agreement (the "Agreement") is entered into effective as of [Grant Date] (the "Grant Date"), by and between EchoStar Corporation, a Nevada corporation (the "Company"), and [Participant Name] ("Grantee").

RECITAL

WHEREAS, the Company, pursuant to its 2017 Stock Incentive Plan (as amended from time to time, the "Plan") desires to grant this stock option to Grantee, and Grantee desires to accept such stock option, each under the terms and conditions set forth in this Agreement; and

WHEREAS, the Option (as defined below) is intended to be consideration in exchange for the covenants herein contained and not in exchange for any right with respect to continuance of employment with or service to the Company or any of its direct or indirect subsidiaries.

AGREEMENT

NOW, THEREFORE, in consideration of the premises, the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Grant of Option

The Company hereby grants to Grantee, as of the Grant Date, the right and option (hereinafter called the "Option") to purchase all or any part of an aggregate of [Number of Options Granted] shares of the Class A common stock of the Company, par value $0.001 per share (the "Common Shares"), at the price of $[Grant Price] per share (the "Option Price"), on the terms and conditions set forth in this Agreement, which price is equal to or greater than the fair market value of a Common Share on the Grant Date (or the last trading day prior to the Grant Date, if the Grant Date was not a trading day). The Option Price is subject to adjustment as provided in this Agreement and the Plan. The Option is intended to be an incentive stock option (an "ISO") within the meaning of the Internal Revenue Code of 1986, as amended, and regulations thereunder (the "Code") to the full extent permitted under the provisions of the Code; provided that any portion of the Option that is not eligible to be an ISO under the Code shall be a non-statutory stock option that does not qualify as an "incentive stock option" within the meaning of the Code. Grantee understands, acknowledges, agrees and hereby stipulates that to the extent that the aggregate fair market value (as determined by the Company in its sole and absolute discretion for any reason or no reason at any time and from time to time as of the Grant Date) of the Common Shares with respect to which all ISOs are exercisable for the first time by Grantee during any calendar year exceeds one-hundred thousand dollars ($100,000), in accordance with Section 422(d) of the Code, such options, including without limitation, all or a portion of the Option, shall be treated as options that do not qualify as ISOs.

Notwithstanding anything in the Plan to the contrary, this Agreement and the Option granted hereunder shall be null and void and of no further force and effect unless and until the Grantee shall have accepted and acknowledged this Agreement within thirty (30) days after the Grant Date by following the current procedures implemented by the Company's administrator for the Plan (the "Administrator"), as such Administrator and procedures are designated by the Company in its sole and absolute discretion for any reason or no reason from time to time.

2. Duration and Exercisability

(a) Subject to the terms and conditions set forth in this Agreement and the Plan and Grantee being an employee of the Company or its direct or indirect subsidiaries, if any, on each of the following vesting dates, the Option shall vest on, and may be exercised by Grantee in accordance with the following vesting schedule: [_____]

Notwithstanding the foregoing, vesting of the Option shall immediately cease upon the occurrence of any of the events provided for in Sections 3(a)-(d), as applicable.

(b) Except as permitted pursuant to the Plan, (i) during the lifetime of Grantee, the Option shall be exercisable only by Grantee or, if permissible under applicable law, by Grantee's guardian or legal representative, (ii) the Option shall not be assignable or transferable by Grantee, other than by will or the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code, Title I of the Employee Retirement Income Security Act, or the rules promulgated thereunder, and (iii) the Option may not be sold, assigned, transferred or otherwise disposed of, or pledged, alienated, attached, hypothecated, or otherwise encumbered in any manner (whether by operation of law or otherwise), and will not be subject to execution, attachment or other process. Any purported sale, assignment, transfer, pledge, alienation, attachment or encumbrance in violation of the terms of this Agreement or the Plan shall be void and unenforceable against the Company or any of its subsidiaries. Any sale, assignment, transfer, pledge, hypothecation, or other disposition of the Option or any attempt to make any such levy of execution, attachment or other encumbrance will cause the Option to terminate immediately, unless the Board of Directors of the Company or the Committee (as defined in the Plan), in their sole and absolute discretion for any reason or no reason at any time and from time to time, specifically waives applicability of this provision.

(c) Notwithstanding any other provisions in this Agreement or the Plan, the Option shall expire and terminate, and shall cease to be exercisable, on [insert date that is [XX] years after the Grant Date] (the "Expiration Date").

(d) The Company assumes no responsibility for individual income taxes, penalties or interest related to the grant, vesting, forfeiture, termination, recoupment, adjustment or exercise of the Option or any subsequent disposition of Common Shares. Additionally, the Company assumes no responsibility in the event that the Option or any portion thereof is ultimately determined to not be an ISO or the tax treatment therefore is ultimately determined to be other than the tax treatment afforded for ISOs, whether such other treatment is the result of changes in the tax laws, a disqualifying disposition by Grantee, or for any other reason. **Grantee should consult with Grantee's personal tax advisor regarding the tax ramifications, if any, which result from the grant, vesting, adjustment, forfeiture, termination, recoupment or exercise of the Option, and any subsequent disposition of Common Shares.** If, in the Company's sole and absolute discretion for any reason or no reason at any time and from time to time, it is necessary or appropriate to collect or withhold federal, state or local taxes in connection with the grant, vesting, forfeiture, termination, recoupment, adjustment or exercise of any portion of the Option and/or any subsequent disposition of Common Shares, the Company shall be entitled to require the payment of such amounts as a condition to exercise. Prior to any relevant taxable or tax withholding event, as applicable, Grantee shall pay or make arrangements satisfactory to the Company to satisfy all withholding obligations. In furtherance and without limiting the generality of the foregoing, Grantee (on its own behalf and on behalf of each and every other proper party as described in Section 2(b) and/or Section 3(c) of this Agreement) hereby authorizes the Company, in its sole and absolute discretion for any reason or no reason at any time and from time to time (including without limitation, pursuant to the then-current procedures implemented by the Administrator, as such Administrator and procedures are designated by the Company in its sole and absolute discretion for any reason or no reason at any time and from time to time), to satisfy all withholding and all other obligations with regard to any individual income taxes, penalties or interest related to the

grant, vesting, forfeiture, termination, recoupment, adjustment or exercise of the Option and/or any subsequent disposition of Common Shares by one or a combination of the following:

i. withholding from any wages or other cash or equity compensation payable to Grantee by the Company;

ii. withholding Common Shares that are otherwise issuable upon exercise of the Option;

iii. arranging for the sale of Common Shares that are otherwise issuable upon exercise of the Option, including, without limitation, selling Common Shares as part of a block trade with other grantees under the Plan or otherwise; and/or

iv. withholding from the proceeds of the sale of Common Shares issued upon exercise of the Option or other Common Shares issuable to the Grantee.

(e) In accepting the terms and conditions of this Agreement and the Option and in considering the exercise of the Option, Grantee understands, acknowledges, agrees and hereby stipulates that he or she has used and shall use the same independent investment judgment that Grantee would use in making other investments in corporate securities. Among other things, stock prices will fluctuate over any reasonable period of time and the price of the Common Shares may go down as well as up. No guarantees are made as to the future prospects of the Company or the Common Shares, or that any market for sale of the Common Shares will exist in the future. No representations are made by the Company except as may be contained in any active registration statement on file with the United States Securities and Exchange Commission ("SEC") relating to the Plan at the time of the applicable exercise of the Option.

3. Effect of Termination of Employment; Violation of Covenants; Covenants Found Unenforceable; Death or Disability; Demotion; Termination After Change in Control

(a) In the event that Grantee shall cease to be employed by the Company and/or its direct or indirect subsidiaries, if any, for any reason other than as a result of or in connection with Grantee's serious misconduct or violation of the covenants set forth in Section 5 of this Agreement or other circumstances as described in Section 3(b) of this Agreement or Grantee's death or disability (as described in Section 3(c) of this Agreement), Grantee shall have the right to exercise the Option at any time within one month after such cessation of employment, **but only** to the extent of the full number of vested Common Shares that Grantee was entitled to exercise under the Option on the date of such cessation of employment, subject to the conditions that (i) any vested or exercisable portion of the Option not exercised within that one month period shall terminate and cannot be exercised following expiration of that one month period, (ii) any portion of the Option not vested or otherwise not exercisable as of the date of such cessation of employment shall be deemed to have terminated and cannot be exercised as or after such date, and (iii) no portion of the Option shall be exercisable (whether vested or unvested) after the Expiration Date. The termination of the Option by reason of this Section 3(a) shall be without prejudice to any right or remedy which the Company may have against the Grantee or other holder of the Option or any Common Shares issued or issuable upon exercise of the Option.

(b) In the event that (i) Grantee shall cease to be employed by the Company and/or its direct or indirect subsidiaries, if any, by reason of Grantee's serious misconduct during the course of employment, including without limitation wrongful appropriation of the Company's or its subsidiaries' funds, theft of

the Company's or its subsidiaries' property or other reasons as determined by the Company, (ii) Grantee violates any one or more of the covenants set forth in Section 5 of this Agreement as determined by the Company, or (iii) any one or more of the covenants set forth in Section 5 of this Agreement is found to be unenforceable against the Grantee to any extent by the final non-appealable resolution of any litigation or other legal proceeding stemming from an actual, threatened, or attempted violation of any such covenants by Grantee, then the **entire** Option (both vested and unvested) shall be deemed to have terminated and cannot be exercised and no Common Shares shall be issuable in connection therewith as of the date of the earliest to occur of: (A) the serious misconduct or cessation of employment, in all cases as the Company may select and as determined by the Company; (B) any violation of the covenants set forth in Section 5 of this Agreement as determined by the Company; or (C) any finding of unenforceability against the Grantee of any one or more of the covenants set forth in Section 5 of this Agreement to any extent by the final non-appealable resolution of any litigation or other legal proceeding stemming from an actual, threatened or attempted violation of any such covenants by Grantee. The termination of the Option by reason of this Section 3(b) shall be without prejudice to any right or remedy which the Company may have against the Grantee or other holder of the Option or any Common Shares issued or issuable upon exercise of the Option. For clarification purposes, with respect to interpreting any and all violation(s) (or other logical formulation thereof such as "violates") of the covenants set forth in this Agreement (including without limitation, the covenants in Section 5 of this Agreement), such violation(s) shall include, but is not limited to, any actual, threatened or attempted violation of any such covenants by the Grantee that may result in, among other things, the Company or any of its direct or indirect subsidiaries having to seek a temporary restraining order, preliminary injunction, or other similar relief against the Grantee to attempt to prevent any such actual, threatened or attempted violation.

(c) In the event that Grantee shall die while in the employ of the Company or its direct or indirect subsidiaries, if any, or within one month after cessation of employment for reasons provided in Section 3(a) of this Agreement, or if Grantee's employment with the Company and/or its direct or indirect subsidiaries, if any, is terminated because Grantee has become disabled (within the meaning of Section 22(e)(3) of the Code and regulations thereunder) while in the employ of the Company or its direct or indirect subsidiaries, if any, and Grantee shall not have exercised the Option to the extent of the full number of vested Common Shares that Grantee was entitled to exercise under the Option as of the date of such death or termination on account of disability, as applicable, then such Option may be exercised at any time within twelve months after the date of such death or termination on account of disability, as applicable, by Grantee or the personal representatives or administrators, executor or guardians of Grantee, as applicable, or by any person or persons to whom the Option is transferred by will or the applicable laws of descent and distribution, **but only** to the extent of the full number of vested Common Shares that Grantee was entitled to exercise under the Option on the date of such death or termination on account of disability, as applicable, subject to the conditions that (i) any vested or exercisable portion of the Option not exercised within that twelve month period shall terminate and cannot be exercised following expiration of that twelve month period, (ii) any portion of the Option not vested or otherwise not exercisable as of the date of such death or termination on account of disability, as applicable, shall be deemed to have terminated and cannot be exercised as or after such date, and (iii) no portion of the Option shall be exercisable (whether vested or unvested) after the Expiration Date. The termination of the Option by reason of this Section 3(c) shall be without prejudice to any right or remedy which the Company may have against the Grantee or other holder of the Option or any Common Shares issued or issuable upon exercise of the Option.

(d) In the event that Grantee is demoted (but remains employed) by the Company or its direct and indirect subsidiaries, if any, from Grantee's current level (e.g., chairman, chief executive officer, president, executive vice president, senior vice president, vice president, director, manager, or other level held by Grantee on the date of this Agreement), the Option shall continue in force, unless otherwise terminated, **but only** to the extent of the full number of vested Common Shares that Grantee was entitled to exercise under the Option on the date of such demotion (the "Remaining Vested Options Following Demotion"), subject to the conditions that (i) any portion of the Option not vested or otherwise not

exercisable as of the date of such demotion shall be deemed to have terminated and cannot be exercised as of the date of demotion, and (ii) no portion of the Option shall be exercisable (whether vested or unvested) after the Expiration Date. The termination of the Option by reason of this Section 3(d) shall be without prejudice to any right or remedy which the Company may have against the Grantee or other holder of the Option or any Common Shares issued or issuable upon exercise of the Option.

(e) In the event that (i) a Change in Control occurs, and (ii) Employee is terminated by the Company and/or its direct and indirect subsidiaries (and not simultaneously employed by the surviving entity or its direct or indirect subsidiaries -- if not the Company -- in connection with, as a result of, upon or after the Change in Control), for any reason other than for Cause, during the twenty-four (24) month period following such Change in Control, then all portions of the Option not previously vested shall immediately vest and become exercisable on the date of such termination, and the Employee shall have the right to exercise all unexercised portions of the Option within one month after such termination of employment, subject to the conditions that (i) any portion of the Option not exercised within such one month period shall terminate and cannot be exercised following expiration of that one month period, and (ii) no portion of the Option (whether vested or unvested) shall be exercisable after the Expiration Date.

For the purpose of this subsection 3(e), the capitalized terms shall have the following meanings: "Capital Stock" means any and all shares, interests, participations, rights or other equivalents, however designated, of corporate stock or partnership or membership interests, whether common or preferred. "Cause" means: (i) the willful and continued failure of Grantee to substantially perform his or her duties consistent with past practices prior to the Change in Control; (ii) any illegal conduct or gross misconduct which is materially injurious to the Company or its affiliates; (iii) Grantee has been convicted of or pleaded guilty or nolo contendere to a felony or any crime involving moral turpitude or dishonesty; or (iv) Grantee has been convicted of or pleaded guilty or nolo contendere to a felony, crime or engaged in conduct which results in a prohibition on the Grantee from serving, for any period of time, as an officer or director of a publicly traded company by any federal, state or other regulatory governing body (including without limitation, an exchange or association such as NYSE or Nasdaq). "Change in Control" means: a transaction or a series of transactions the result of which is that any person (other than the Principal or a Related Party) individually owns more than fifty percent (50%) of the total voting power of the voting Equity Interests of either (A) the Company or (B) the surviving entity in any such transaction(s) or a controlling affiliate of such surviving entity in such transaction(s). "Equity Interest" means any Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock). "Principal" means Charles W. Ergen. "Related Party" means, with respect to the Principal, (a) the spouse and each immediate family member of the Principal; (b) each trust, corporation, partnership or other entity of which the Principal and/or the Principal’s spouse and/or immediate family members beneficially holds an eighty percent (80%) or more controlling interest; and (c) all trusts, including grantor retained annuity trusts, established by the Principal for the benefit of his family.

(f) Notwithstanding any other provision in this Agreement or the Plan or any termination or expiration of the Option, the covenants set forth in Section 5 of this Agreement shall continue in force in accordance with their terms unless otherwise terminated by the Company.

4. Manner of Exercise

(a) The Option can be exercised only by Grantee or other proper party as described in Section 2(b), Section 3(c) and/or Section 4(c) of this Agreement, in whole Common Shares, upon meeting the applicable vesting requirements for the Option represented by this Agreement and by following, prior to the earlier of any forfeiture or termination or the Expiration Date, the then-current procedures implemented by the Administrator, as such Administrator and procedures are designated by the Company in its sole and absolute discretion for any reason or no reason at any time and from time to time. The instruction to exercise

the Option must be made by a person entitled to exercise the Option and shall (i) include, among other things, the number of Common Shares as to which the Option is being exercised, (ii) contain a representation and agreement as to Grantee's investment intent with respect to the Common Shares in a form satisfactory to the Company (unless a Prospectus meeting applicable requirements of the Securities Act of 1933, as amended ("Securities Act"), is in effect for the Common Shares being purchased pursuant to exercise of the Option), and (iii) be accompanied by payment in full of the Option Price for all Common Shares designated in the instruction. The instruction to exercise shall be sent as set forth in Section 7(n) of this Agreement or in such other manner pursuant to the then-applicable procedures implemented by the Administrator.

(b) Except as otherwise provided for by the then-current procedures implemented by the Administrator or as otherwise specified in Section 4(c) of this Agreement, Grantee shall pay the Option Price for the Common Shares purchased in cash or by certified or bank cashier's check.

(c) If, upon the close of trading on the NASDAQ Stock Market (or, in the event that the Common Shares are no longer listed and traded on the NASDAQ Stock Market, such other stock exchange on which the Common Shares are then listed and traded) (the "Market Close") on the Expiration Date (or the last trading day prior to the Expiration Date (if the Expiration Date is not a trading day)) (the "Expiration Exercise Date"), all or any portion of the Option is vested and exercisable, then the vested and exercisable portion of the Option shall be automatically exercised upon the Market Close on the Expiration Exercise Date without any further action by Grantee (or any other proper party as described in Section 2(b) and/or Section 3(c) of this Agreement) pursuant to the applicable then-current procedures implemented by the Administrator (the "Expiration Exercise Procedures"), as such Administrator and Expiration Exercise Procedures are designated by the Company in its sole and absolute discretion for any reason or no reason at any time and from time to time.

Pursuant to the Expiration Exercise Procedures: (i) the following costs and expenses will be satisfied by withholding otherwise deliverable Common Shares to be issued upon the automatic exercise of the Option: (A) the Option Price for the full number of vested Common Shares that are automatically exercised under the Option pursuant to this Section 4(c); (B) the Administrator's fees and commissions, if any; (C) other brokerage fees and commissions, if any; and (D) all withholding and all other obligations with regard to any individual income taxes (which Grantee understands, acknowledges, agrees and hereby stipulates may be withheld at the highest then-current tax rate), penalties or interest related to the grant, vesting, forfeiture, termination, recoupment, adjustment or exercise of the Option and/or any subsequent disposition of Common Shares in connection with the Expiration Exercise Procedures or otherwise; and (ii) the number of whole Common Shares, if any, remaining after completion of all withholding as described in subsection (i) of these Expiration Exercise Procedures shall be issued to Grantee. Without limitation of the generality of Section 2(d) of this Agreement, in the event that the amounts withheld pursuant to the Expiration Exercise Procedures are insufficient to satisfy Grantee's actual individual income tax, penalty and/or interest obligations, Grantee understands, acknowledges, agrees and hereby stipulates that Grantee, and not the Company, shall be solely responsible and liable for payment of any deficiencies. Only an Option that is "in-the-money" at Market Close on the Expiration Exercise Date shall be automatically exercised pursuant to this Section 4(c). An Option shall be considered "in-the-money" for purposes of this Section 4(c) if the fair market value of a Common Share upon the Market Close on the Expiration Exercise Date is at least one percent (1%) greater than the Option Price. Furthermore, and without limitation of the generality of the preceding sentence, any exercise of the Option that would result in the issuance of less than one whole Common Share to Grantee pursuant to the Expiration Exercise Procedures shall not be automatically exercised pursuant to this Section 4(c). Grantee (on its own behalf and on behalf of each and every other proper party as described in Section 2(b) and/or Section 3(c) of this Agreement) hereby expressly authorizes and agrees to the automatic exercise of the Option as provided in this Section 4(c) (and shall be deemed to have given all instructions and representations required under Section 4(a) of this Agreement in connection with the automatic exercise of the Option as provided in this Section 4(c)), and neither the

approval of the Administrator, nor the consent of Grantee (or any other proper party as described in Section 2(b) and/or Section 3(c) of this Agreement) shall be required at the time of the automatic exercise of the Option pursuant to this Section 4(c). For the avoidance of doubt, Grantee may exercise any vested and exercisable portion of the Option prior to Market Close on the Expiration Exercise Date. **Grantee understands, acknowledges, agrees and hereby stipulates that the automatic exercise procedure pursuant to this Section 4(c) is provided solely as a convenience to Grantee as protection against Grantee's inadvertent failure to exercise all or any portion of an "in-the-money" Option that is vested and exercisable before such Option expires under this Agreement. Because any exercise of all or any portion of the Option is solely Grantee's responsibility, Grantee hereby waives and releases and agrees to indemnify and hold the Company harmless from and against any and all claims of any kind whatsoever against the Company and/or any other party (including without limitation, the Administrator and the Company's Grantees and agents) arising out of or relating to the automatic exercise procedure pursuant to this Section 4(c) (or any failure thereof), including without limitation any resulting individual income tax, penalty and/or interest liability and/or any other liability if the automatic exercise of the Option does occur, or does not occur for any reason or no reason whatsoever and/or the Option actually expires.**

(d) Unless notified by the Company or the Administrator to the contrary, the Common Shares issuable on exercise of the Option shall be deemed issued on the date specified by the Company within five (5) business days following the date that the Company determines that all requirements for issuance of the Common Shares have been properly completed, including, without limitation, payment of all applicable withholding taxes. The Company shall have no obligation to issue the Common Shares upon the exercise of any portion of the Option until it has confirmed to its satisfaction that all requirements for the issuance have been accomplished. Any notice of exercise shall be void and of no effect if all requisite events have not been accomplished.

(e) Unless the Company waives applicability of this provision, the certificate or certificates for the Common Shares, if any, as to which the Option shall be exercised or the book entries, as applicable, may be registered only in the name of Grantee (or if Grantee so requests in the notice of exercise of the Option, jointly in the name of Grantee and with a member of Grantee's family, with the right of survivorship, or in the event of the death of Grantee, in the name of such survivor of Grantee as the person with the right to exercise the Option shall designate).

5. Protection of Confidential Information and Trade Secrets

(a) Grantee shall serve the Company and its direct and indirect subsidiaries (collectively, the "Company" for purposes of this Section 5), loyally and in good faith and use Grantee's best efforts to promote the Company's interests. Grantee hereby agrees to protect from disclosure (for clarification purposes, such agreement to protect from disclosure shall include, without limitation, an agreement not to use) Confidential Information and Trade Secrets (as defined in Section 5(e) of this Agreement).

(e) Non-Disclosure and Non-Use of Confidential Information and Trade Secrets. Grantee further agrees to hold in a fiduciary capacity for the benefit of the Company any and all proprietary and confidential information, knowledge, ideas and data, including, without limitation, customer lists and the Company's trade secrets, products, processes and programs ("Confidential Information and Trade Secrets"), relating in any way to the present or future business or activities of the Company for as long as such Confidential Information and Trade Secrets remain confidential (for clarification purposes, this restriction shall include, but not be limited to, the obligation of and agreement by Grantee not to (i) disclose to, or use to or for the benefit of, any person or entity other than the Company any Confidential Information and Trade Secrets, and/or (ii) take a position where Grantee may use and/or disclose any Confidential Information and Trade Secrets). Such Confidential Information and Trade Secrets include but are not limited

to: (i) the Company's financial and business information, such as capital structure, operating results, strategies and plans for future business, pending projects and proposals and potential acquisitions or divestitures; (ii) product and technical information, such as product formulations, new and innovative product ideas, proprietary credit scoring models and approaches, credit policies, new business developments, plans, designs, compilation methods, processes, procedures, program devices, data processing programs, software, software codes, hardware, firmware and research and development products; (iii) marketing information, such as new marketing ideas, mailing lists, the identity and number of the Company's customers and prospects, their names and addresses and sales and marketing plans; (iv) information about the Company's third-party agreements and any confidential or protected information disclosed to the Company by a third-party; (v) the Company's suppliers, partners, customers and prospect lists; and (vi) personnel information, such as the identity and number of the Company's other employees, their salaries, bonuses, benefits, skills, qualifications and abilities. For the avoidance of doubt and notwithstanding the foregoing, the term "trade secrets" shall mean items of Confidential Information and Trade Secrets that meet the requirements of the Uniform Trade Secrets Act, as adopted in the state of Colorado and as amended from time to time or under the Defend Trade Secrets Act, 18 U.S.C. §1833, et seq. Under the federal Defend Trade Secrets Act of 2016, Grantee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (x) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (y) is made to Grantee's attorney in relation to a lawsuit for retaliation against Grantee for reporting a suspected violation of law; or (z) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. All Confidential Information and Trade Secrets, together with all copies thereof and notes and other references thereto, shall remain the sole property of the Company. To the extent that Grantee possesses any Confidential Information and Trade Secrets or equipment belonging to the Company, Grantee agrees to deliver to the Company, immediately upon termination of employment and at any time and from time to time as the Company requests: (i) any and all documents, files, notes, memoranda, databases, computer files, and/or other computer programs reflecting any Confidential Information and Trade Secrets; and (ii) any and all computer equipment, home office equipment, automobile, or other business equipment belonging to the Company that Grantee may then possess or have under his or her control. For any equipment or devices owned by Grantee on which proprietary information of the Company is stored or accessible, Grantee shall, immediately upon or prior to termination of employment, deliver such equipment or devices to the Company so that any proprietary information may be deleted or removed. Grantee expressly authorizes the Company's designated representatives to access such equipment or devices for this limited purpose and shall provide any passwords and/or passcodes necessary to accomplish this task. Grantee acknowledges that all Confidential Information and Trade Secrets is essential to the Company's present and future business and activities, and is therefore deemed trade secrets and is considered proprietary to, and treated as confidential by, the Company. This obligation of confidentiality is intended to supplement, and is not intended to supersede or limit, the obligations of confidentiality Grantee has to the Company by agreement, law or otherwise.

(f) Remedies. Grantee understands, acknowledges, agrees and hereby stipulates that any and all actual, threatened or attempted violations of any and all covenants in this Agreement (including, without limitation, covenants in this Section 5), challenges of or to the enforceability of any such covenants and/or findings of unenforceability of any such covenants against the Grantee to any extent by the final non-appealable resolution of any litigation or other legal proceeding stemming from a threatened or attempted violation of any such covenants by Grantee, may cause the Company irreparable harm, which may not be compensated for by monetary damages alone.

(g) Tolling. Grantee further agrees that, while the duration of the covenants contained in this Section 5 will be determined generally in accordance with the terms of each respective covenant, if Grantee violates or threatens to violate any of those covenants, or it is necessary for the Company to seek to enforce any of those covenants, Grantee agrees to an extension of the duration of such covenant on the same terms

and conditions for an additional period of time equal to the time that elapses from the commencement of such violation or threat of violation to the later: of (i) the termination of such violation or threat of violation; or (ii) the final non-appealable resolution of any litigation or other legal proceeding stemming from such violation or threatened or attempted violation.

(h) No Waiver. In addition to (and without limitation of) the other terms and conditions of this Agreement, the failure of the Company to insist upon strict performance of any provision of any agreement between the Company, on the one hand, and another grantee, employee, person or entity, on the other hand, shall not be construed as a waiver of the Company's right to insist upon strict performance of each and every representation, warranty, covenant, duty and obligation of Grantee hereunder. In addition to (and without limitation of) the foregoing, the election of certain remedies by the Company with respect to the breach or default by another grantee, employee, person or entity of any agreement between the Company, on the one hand, and such other grantee, employee, person or entity, on the other hand, shall not be deemed to prejudice any rights or remedies that the Company may have at law, in equity, under contract (including without limitation this Agreement) or otherwise with respect to a similar or different breach or default hereunder by Grantee (all of which are hereby expressly reserved).

(i) Recoupment. Notwithstanding anything in this Agreement or the Plan to the contrary, Grantee's rights, payments and benefits with respect to the Option (whether vested or unvested) shall be subject to deduction, reduction, cancellation, recovery, recoupment, forfeiture and/or "clawback" as may be required to be made pursuant to the provisions of any applicable law, government regulation or stock exchange listing requirement as well as any policies of the Company that may be in effect from time to time pursuant to any law, government regulation or stock exchange listing requirement. In addition, notwithstanding anything in this Agreement or the Plan to the contrary, Grantee's rights, payments and benefits with respect to the Option (whether vested or unvested) shall be subject to deduction, reduction, cancellation, recovery, recoupment, forfeiture and/or "clawback" if: (i) Grantee ceases or has ceased to be employed by the Company or its direct or indirect subsidiaries, if any, by reason of Grantee's serious misconduct during the course of employment, including without limitation, wrongful appropriation of the Company's funds or theft of Company property; (ii) Grantee violates or has violated any of the covenants set forth in Section 5 of this Agreement as determined by the Company; or (iii) any of the covenants set forth in Section 5 of this Agreement are or were found to be unenforceable against the Grantee to any extent by the final non-appealable resolution of any litigation or other legal proceeding stemming from an actual, threatened, or attempted violation of any such covenants by Grantee.

6. Dispute Resolution; Arbitration

(a) Grantee and the Company mutually agree that any claim, controversy and/or dispute between them, arising out of, relating to, or in connection with: (i) Grantee's application for employment, employment and/or termination of employment (collectively "Employment-Related Disputes"); and/or (ii) this Agreement (including, without limitation, an actual, threatened or attempted violation of any of the covenants set forth in Section 5 of this Agreement) ("Options Disputes") ((i) or (ii) each, a "Claim" and (i) and (ii) collectively, "Claims"), whenever and wherever brought shall be resolved by binding arbitration administered by the American Arbitration Association ("AAA"). Grantee agrees that this agreement to arbitrate is governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq., evidences a transaction involving commerce, and is fully enforceable. For purposes of this Section 6, the Company shall be defined to include EchoStar Corporation, its predecessors, direct and indirect subsidiaries and affiliates (except DISH Network Corporation and its direct and indirect subsidiaries, which are not parties to this agreement to arbitrate), its and their officers, directors, shareholders, members, owners, employees, managers, agents, and attorneys, and all successors and assigns of each of the foregoing persons and entities.

(b) For Employment-Related Disputes:

i. a party who wishes to arbitrate a Claim must prepare a written demand for arbitration ("Request for Arbitration") that identifies the claims asserted, the factual basis for each claim and the relief and/or remedy sought. That party must file the Request for Arbitration (along with a copy of this Agreement and the applicable filing fee) with the AAA by: (A) delivering them by hand to any office of the AAA; (B) mailing them by certified U.S. mail, Federal Express or United Parcel Service to American Arbitration Association, Case Filing Services, 1101 Laurel Oak Road, Suite 100, Voorhees, NJ 08043; or (C) using the AAA WebFile feature at the AAA's website: http://www.adr.org. The Request for Arbitration must be submitted to the AAA before the expiration of the applicable statute of limitations and the parties agree that the date the Request for Arbitration is received by AAA shall constitute submission for all statute of limitation purposes. Unless otherwise prohibited by law, the party initiating arbitration shall be responsible for paying an initial filing fee of $200 or an amount equal to the applicable filing fee had the claim been brought in a court of competent jurisdiction, whichever is less. The Company will pay the Employment Law Arbitrators' (as defined below) fees and any fee for administering the arbitration unless otherwise ordered by the Employment Law Arbitrators;

ii. the party initiating arbitration must deliver a copy of the Request for Arbitration to the other party by hand or certified U.S. mail at the following location: (A) to the Company - to the legal department of the Company at 100 Inverness Terrace East, Englewood, CO 80112, Attn: General Counsel; or (B) to Grantee - to the last home address that Grantee provided to the Company;

iii. three arbitrators from the AAA with expertise in employment disputes ("Employment Law Arbitrators") shall be selected, and shall conduct the arbitration, pursuant to the then-current AAA's Employment Arbitration Rules and Procedures ("AAA Employment Rules"), without incorporation of AAA's Supplementary Rules for Class Arbitration, which the parties hereby expressly disclaim. The AAA Employment Rules may be found at http://www.adr.org/, by searching for "AAA Employment Arbitration Rules" using an internet search engine such as www.google.com, or by requesting a copy from the human resources department of the Company. Within fourteen (14) days after the receipt of the Request for Arbitration, each party shall select one arbitrator from the AAA with expertise in employment law to act as arbitrator and such arbitrators shall select the third arbitrator within 10 days of their appointment. The party-selected arbitrators will serve in a non-neutral capacity. In the event that the arbitrators selected by the parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be selected by the AAA. The arbitration shall be governed by and construed in accordance with the substantive law of the State of Colorado, without giving effect to choice of law principles. The Employment Law Arbitrators shall only have the right to render decisions that are consistent with the substantive law of the State of Colorado, and any decision rendered by the Employment Law Arbitrators shall be subject to review by any court of competent jurisdiction. Regardless of what the AAA Employment Rules state, the arbitration proceedings shall be held in the City and County of Denver, Colorado;

iv. the parties shall have the right to conduct discovery relevant and material to the outcome of the arbitration and to present witnesses and evidence as needed to present their claims and defenses, and the Employment Law Arbitrators shall resolve any discovery or evidentiary dispute. Each party shall have the right

to subpoena relevant witnesses and documents, including, without limitation, documents from third parties. At least thirty days before the final hearing, the parties must exchange a list of witnesses and copies of all exhibits to be used at the arbitration hearing. The Employment Law Arbitrators may award any remedy available under applicable law, but remedies shall be limited to those that would be available to a party in his/her/its individual capacity for all Claims presented to the Employment Law Arbitrators. The Employment Law Arbitrators' decision shall be final and binding, and judgment upon the Employment Law Arbitrators' decision and/or award may be entered in any court of competent jurisdiction; provided that, the parties agree to take all reasonable steps to ensure that all pleadings, filings and papers are filed and/or entered with the court under seal and/or in a manner that would maintain their confidentiality, including, without limitation, complying with all rules of procedure and local rules for filing documents, pleadings, and papers under seal;

v. the Employment Law Arbitrators shall have the authority to hear and decide dispositive motions under the legal standards set forth in Rules 12 and 56 of the Colorado Rules of Civil Procedure, regardless of whether a Claim arises under federal or state law. The Employment Law Arbitrators shall resolve all disputes regarding the timeliness or propriety of the Request for Arbitration and apply the statute of limitations that would have applied if a Claim had been brought in a court of competent jurisdiction. The Employment Law Arbitrators shall dismiss, without limitation, any Claim that, in the absence of this Agreement, could not be brought under applicable law;

vi. the Employment Law Arbitrators shall have the exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability, or formation of this Agreement, except with respect to the "Class Action Waiver" and "Representative Action Waiver" described below. Regardless of what this Agreement and/or the AAA Employment Rules state, any dispute as to the interpretation, applicability, enforceability or formation of the Class Action Waiver and the Representative Action Waiver may only be determined by a court of competent jurisdiction and not by the Employment Law Arbitrators; and

vii. all arbitration proceedings, including, but not limited to, claims, allegations, decisions, findings, pleadings, hearings, testimony, discovery, settlements, opinions and awards shall be confidential, except: (A) to the extent the parties otherwise agree in writing; (B) as may be otherwise appropriate in response to a request from a government agency, subpoena, or legal process; (C) as is necessary to enforce, correct, modify or vacate the Employment Law Arbitrators' award or decision; or (D) if applicable law provides to the contrary. In the event that either party initiates a court proceeding to enforce, correct, modify, or vacate the Employment Law Arbitrators' award or decision, or any other proceeding that would require disclosing the Employment Law Arbitrators' award, decision or findings, the parties agree to take all reasonable steps consistent with applicable law to ensure that all pleadings, filings and papers are filed and/or entered with the court under seal and/or in a manner that would maintain their confidentiality, including, without limitation, complying with all rules of procedure and local rules for filing documents, pleadings, and papers under seal.

(c) For Options Disputes:

i. a party who wishes to arbitrate a Claim must prepare a Request for Arbitration that identifies the claims asserted, the factual basis for each claim and the relief and/or remedy sought. That party must file the Request for Arbitration (along with a copy of this Agreement and the applicable filing fee) with the AAA by: (A) delivering them by hand to any office of the AAA; (B) mailing them by certified U.S. mail, Federal Express or United Parcel Service to American Arbitration Association, Case Filing Services, 1101 Laurel Oak Road, Suite 100, Voorhees, NJ 08043; or (C) using the AAA WebFile feature at the AAA's website: http://www.adr.org. The Request for Arbitration must be submitted to the AAA before the expiration of the applicable statute of limitations and the parties agree that the date the Request for Arbitration is received by AAA shall constitute submission for all statute of limitation purposes. Unless otherwise prohibited by law, the party initiating arbitration shall be responsible for paying an initial filing fee of $200 or an amount equal to the applicable filing fee had the claim been brought in a court of competent jurisdiction, whichever is less. The Company will pay the Commercial Law Arbitrators' (as defined below) fees and any fee for administering the arbitration unless otherwise ordered by the Commercial Law Arbitrators;

ii. the party initiating arbitration must deliver a copy of the Request for Arbitration to the other party by hand or certified U.S. mail at the following location: (A) to the Company - to the legal department of the Company at 100 Inverness Terrace East, Englewood, CO 80112, Attn: General Counsel; or (B) to Grantee - to the last home address that Grantee provided to the Company;

iii. three arbitrators from the AAA with expertise in commercial law ("Commercial Law Arbitrators") shall be selected, and shall conduct the arbitration, pursuant to the then-current AAA Commercial Dispute Resolution Procedures (the "AAA Commercial Rules"), without incorporation of the AAA Employment Rules and the AAA's Supplementary Rules for Class Arbitration, both of which the parties hereby expressly disclaim. The AAA Commercial Rules may be found at http://www.adr.org/, by searching for "AAA Commercial Dispute Resolution Procedures" using an internet search engine such as www.google.com, or by requesting a copy from the human resources department of the Company. Within fourteen (14) days after the receipt of the Request for Arbitration, each party shall select one arbitrator from the AAA with expertise in commercial law to act as arbitrator and such arbitrators shall select the third arbitrator within 10 days of their appointment. The party-selected arbitrators will serve in a non-neutral capacity. In the event that the arbitrators selected by the parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be selected by the AAA. The arbitration shall be governed by and construed in accordance with the substantive law of the State of Colorado, without giving effect to choice of law principles. The Commercial Law Arbitrators shall only have the right to render decisions that are consistent with the substantive law of the State of Colorado, and any decision rendered by the Employment Law Arbitrators shall be subject to review by any court of competent jurisdiction. Regardless of what the AAA Commercial Rules state, the arbitration proceedings shall be held in the City and County of Denver, Colorado;

iv. the parties shall have the right to conduct discovery relevant and material to the outcome of the arbitration and to present witnesses and evidence as needed to present their claims and defenses, and the Commercial Law Arbitrators shall resolve any discovery or evidentiary dispute. Each party shall have the right to subpoena relevant witnesses and documents, including, without limitation,

documents from third parties. At least thirty days before the final hearing, the parties must exchange a list of witnesses and copies of all exhibits to be used at the arbitration hearing. The Commercial Law Arbitrators may award any remedy available under applicable law, but remedies shall be limited to those that would be available to a party in his/her/its individual capacity for all Claims presented to the Commercial Law Arbitrators. The Commercial Law Arbitrators' decision shall be final and binding, and judgment upon the Commercial Law Arbitrators' decision and/or award may be entered in any court of competent jurisdiction; provided that, the parties agree to take all reasonable steps to ensure that all pleadings, filings and papers are filed and/or entered with the court under seal and/or in a manner that would maintain their confidentiality, including, without limitation, complying with all rules of procedure and local rules for filing documents, pleadings, and papers under seal;

v. the Commercial Law Arbitrators shall have the authority to hear and decide dispositive motions under the legal standards set forth in Rules 12 and 56 of the Colorado Rules of Civil Procedure, regardless of whether a Claim arises under federal or state law. The Commercial Law Arbitrators shall resolve all disputes regarding the timeliness or propriety of the Request for Arbitration and apply the statute of limitations that would have applied if a Claim had been brought in a court of competent jurisdiction. The Commercial Law Arbitrators shall dismiss, without limitation, any Claim that, in the absence of this Agreement, could not be brought under applicable law;

vi. the Commercial Law Arbitrators shall have the exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability, or formation of this Agreement, except with respect to the "Class Action Waiver" and "Representative Action Waiver" described below. Regardless of what this Agreement and/or the AAA Commercial Rules state, any dispute as to the interpretation, applicability, enforceability or formation of the Class Action Waiver and the Representative Action Waiver may only be determined by a court of competent jurisdiction and not by the Commercial Law Arbitrators; and

vii. all arbitration proceedings, including, but not limited to, claims, allegations, decisions, findings, pleadings, hearings, testimony, discovery, settlements, opinions and awards shall be confidential, except: (A) to the extent the parties otherwise agree in writing; (B) as may be otherwise appropriate in response to a request from a government agency, subpoena, or legal process; (C) as is necessary to enforce, correct, modify or vacate the Commercial Law Arbitrators' award or decision; or (D) if applicable law provides to the contrary. In the event that either party initiates a court proceeding to enforce, correct, modify, or vacate the Commercial Law Arbitrators' award or decision, or any other proceeding that would require disclosing the Commercial Law Arbitrators' award, decision or findings, the parties agree to take all reasonable steps consistent with applicable law to ensure that all pleadings, filings and papers are filed and/or entered with the court under seal and/or in a manner that would maintain their confidentiality, including, without limitation, complying with all rules of procedure and local rules for filing documents, pleadings, and papers under seal.

(d) Notwithstanding the foregoing, this agreement to arbitrate all Employment-Related Disputes and/or Options Disputes shall not apply to Grantee claims for statutory unemployment compensation benefits, statutory worker's compensation benefits, state disability insurance benefits (not including retaliation claims based upon seeking such benefits), charges filed with the National Labor

Relations Board alleging violations of the National Labor Relations Act, and claims for benefits from a Company-sponsored "employee benefit plan," as that term is defined in 29 U.S.C. §1002(3).

(e) To the maximum extent allowed by applicable law, (i) Grantee and the Company agree to bring any Claim in arbitration on an individual basis only, and not as a class or collective action, (ii) Grantee and the Company waive any right for a Claim to be brought, heard, or decided as a class or collective action, and (iii) the applicable arbitrator under this Section 6 shall have no power, jurisdiction or authority to preside over a class or collective action ("Class Action Waiver"). This Class Action Waiver, however, does not prevent Grantee from joining, opting into or participating in a pending class or collective action to which Grantee is a current or purported class member as of the Grant Date. To the maximum extent allowed by applicable law, Grantee and the Company waive any right for a Claim to be brought, heard or decided as a Private Attorney General Representative Action on behalf of other grantees ("Representative Action"), and the applicable arbitrator under this Section 6 shall have no power or authority to preside over a Representative Action ("Representative Action Waiver"). The Representative Action Waiver, however, does not apply to a Claim that Grantee brings in arbitration as a private attorney general solely on his/her own behalf.

(f) In addition, each of Grantee and the Company shall have the right to seek temporary restraining orders, preliminary and/or permanent injunctions or other like emergency relief from a court where such relief is required to permit the dispute to proceed to arbitration without such party incurring irreparable harm that may not be remedied monetarily, for example, to prevent violation of: (i) non-competition agreements or obligations; (ii) non-solicitation agreements or obligations; (iii) intellectual property rights, including, but not limited to, copyrights, patent rights, trade secrets and/or proprietary business know-how; or (iv) confidential information obligations; provided that, once a court of competent jurisdiction orders or denies temporary or preliminary relief, the Claims shall then be resolved by arbitration pursuant to this Agreement. The parties mutually agree that the state and federal courts located in the City and County of Denver, Colorado shall have exclusive subject matter and personal jurisdiction to hear and decide any such action, and that any such court action shall be governed by the substantive law of the State of Colorado, without giving effect to choice of law principles. Grantee irrevocably waives, to the fullest extent permitted by law, any and all objections which he or she may now or hereafter have to the venue of any such proceeding brought in any such court, including, without limitation, any claim that such proceeding has been brought in an inconvenient forum.

(g) Further, nothing in this Section 6 prohibits Grantee from making a report or filing an administrative charge with a federal, state or local administrative agency such as the National Labor Relations Board, the Equal Employment Opportunity Commission, the Securities and Exchange Commission or the Department of Labor. This Section 6 also does not prevent federal administrative agencies from adjudicating claims and awarding remedies based on those claims, even if the claims would otherwise be covered by this Section 6. Nothing in this Section 6 prevents or excuses a party from satisfying any conditions precedent and/or exhausting administrative remedies under applicable law before bringing a Claim in arbitration.

(h) Unless the applicable arbitrators rule otherwise (under the same standards that would apply in a court of competent jurisdiction), each party to any arbitration or court proceeding contemplated by this Section 6 shall be responsible for its own attorneys' fees and costs; provided, however, that unless otherwise required by applicable law or this Agreement, the prevailing party in any arbitration or court proceeding contemplated by this Section 6 shall be entitled to reimbursement of its, his or her reasonable attorneys' fees, costs, and expenses. Nothing in this Agreement shall require Grantee to reimburse the Company for its reasonable attorneys' fees, costs, and expenses, incurred when the Company prevails in defense of any statutory claim of unlawful discrimination, unless said claim brought by Grantee is frivolous, unreasonable or without foundation, or Grantee continues to prosecute a claim after the claim became frivolous,

unreasonable or without foundation. In the event either party hereto files a judicial or administrative action asserting claims subject to this arbitration provision, and the other party successfully stays such action and/or compels arbitration of the claims made in such an action, the party filing the administrative or judicial action shall pay the other party's reasonable attorneys' fees, costs, and expenses incurred in obtaining a stay and/or compelling arbitration.

(i) This Section 6 supersedes and renders void any prior agreement(s) to arbitrate between Grantee and the Company with respect to any and all Claims under this Agreement and any other agreement(s) between the Company and/or any of its direct and indirect subsidiaries, on the one hand, and Grantee, on the other hand. For the avoidance of doubt and notwithstanding the foregoing, this Section 6 does not supersede or render void any prior agreement(s) to arbitrate between the Company and/or any of its direct and indirect subsidiaries, on the one hand, and Grantee, on the other hand with respect to any and all stock options, restricted stock units or other equity awards other than the Options Disputes for the specific Option granted under this Agreement. In the event of any conflict or inconsistency between any AAA rules and/or procedures and the terms and conditions of this Agreement, the terms and conditions of this Agreement shall control.

(j) Other than potential rights to a trial, a jury trial, and common law claims for punitive and/or exemplary damages, nothing in this agreement to arbitrate limits any statutory remedy to which Grantee or the Company may be entitled under law. The parties acknowledge that this agreement to arbitrate shall not alter the at-will nature of their employment relationship MEANING THAT GRANTEE MAY TERMINATE GRANTEE'S EMPLOYMENT WITH THE COMPANY AND/OR ANY OF ITS DIRECT AND INDIRECT SUBSIDIARIES AT ANY TIME WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE, AND THE COMPANY AND/OR ANY OF ITS DIRECT AND INDIRECT SUBSIDIARIES RESERVE THE SAME RIGHTS TO TERMINATE GRANTEE'S EMPLOYMENT AND/OR DEMOTE GRANTEE.

(k) GRANTEE AND THE COMPANY MUTUALLY AND VOLUNTARILY AGREE TO ARBITRATE ALL CLAIMS COVERED BY THIS AGREEMENT AS SET FORTH IN THIS SECTION 6. THE RIGHTS TO A TRIAL BY JURY, TO COMMON LAW CLAIMS FOR PUNITIVE AND/OR EXEMPLARY DAMAGES, AND TO ENGAGE AND/OR PARTICIPATE IN A CLASS, COLLECTIVE OR REPRESENTATIVE ACTION ARE OF VALUE AND EXPRESSLY WAIVED PURSUANT TO THIS SECTION 6. NOTHING IN THIS SECTION 6 INFRINGES ON GRANTEE'S RIGHT TO FILE A CHARGE WITH ANY GOVERNMENT AGENCY, AND GRANTEE'S RIGHT TO SEEK ANY REMEDY AND/OR PERSONAL RECOVERY IS ONLY RESTRICTED AS SPECIFICALLY SET FORTH IN THIS SECTION 6.

7. Miscellaneous

(a) Option Subject to the Plan. The Option is issued pursuant to the Plan and is subject to its terms and conditions. The terms and conditions of the Plan are available for inspection during normal business hours at the principal offices of the Company. The Committee has final authority to decide, interpret, determine and calculate any and all aspects of the Plan in its sole and absolute discretion for any reason or no reason at any time and from time to time.

(b) No Right to Continued Employment; No Rights as Shareholder. This Agreement shall not confer upon Grantee any right with respect to continuance of employment with the Company or any of its direct or indirect subsidiaries, nor shall it interfere in any way with the right of the Company and its direct and indirect subsidiaries to terminate such employment or to demote or remove Grantee for any reason or no reason at any time and from time to time. The holder of the Option will not have any right to dividends or any other rights of a shareholder with respect to Common Shares subject to the Option until such Common

Shares shall have been issued to Grantee upon valid exercise of the Option in accordance with this Agreement and the Plan (as evidenced by the records of the transfer agent of the Company).

(c) Changes in Capital Structure. If there shall be any change in the Common Shares of the Company through merger, consolidation, reorganization, recapitalization, dividend in the form of stock (of whatever amount), stock split or other change in the corporate structure of the Company, then appropriate adjustments may be made by the Company, as determined in the sole and absolute discretion of the Committee for any reason or no reason at any time and from time to time, to all or any portion of the Option that shall have not yet vested or been exercised and not yet been terminated or expired, in order to prevent dilution or enlargement of Grantee's rights under the Option. Such adjustments may include, where appropriate, changes in the number of shares of Common Shares and the price per share subject to the outstanding Option. Notwithstanding the foregoing, no action that would modify the treatment of the Option under the Code shall be effective unless agreed to in writing by both parties.

(d) Assigns and Successors. This Agreement shall inure to the benefit of the Company's assigns and successors and its and their direct and indirect subsidiaries.

(e) Compliance with Law; Legal Requirements. The Company shall at all times during the term of the Option reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Agreement. The exercise of all or any part of the Option shall only be effective at such time that the issuance and sale of Common Shares pursuant to such exercise will not violate any federal or state securities or other laws. The Company may suspend Grantee's or any holder's of the Option right to exercise the Option and shall not issue or deliver the Common Shares underlying the Option unless it is satisfied in its judgment that the issuance and sale of Common Shares will not violate any of the provisions of the Securities Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), any rules or regulations of the SEC promulgated thereunder, or the requirements of applicable state law relating to authorization, issuance or sale of securities, other applicable laws, rules and regulations or any applicable stock exchange, or any other applicable laws, rules or regulations, or until there has been compliance with the provisions of such acts, laws and rules. If the Company in its sole and absolute discretion so elects, it may register the Common Shares issuable upon the exercise of the Option under the Securities Act and list the Common Shares on any securities exchange. In the absence thereof, Grantee understands that neither the Option nor the Common Shares issuable upon the exercise thereof will be registered under the Securities Act, or tradeable on any securities exchange, and Grantee represents that the Option is being acquired, and that such Common Shares that will be acquired pursuant to exercise of the Option, if any, will be acquired, by Grantee for investment and not with a view to distribution thereof. In the absence of an effective registration statement meeting the requirements of the Securities Act, upon any sale or transfer of the Common Shares issued pursuant to the Option, Grantee shall deliver to the Company an opinion of counsel satisfactory to the Company to the effect that the sale or transfer of the Common Shares does not violate any provision of the Securities Act or the Exchange Act. Grantee understands that the Company is under no obligation to register or qualify the Common Shares with the SEC, any state securities commission or any stock exchange to effect such compliance and that Grantee will have no recourse to or claim against the Company if the Company determines pursuant to this Section 7 that it is unable to deliver the Common Shares upon exercise of the Option. Regardless of whether the offering and sale of the Common Shares have been registered under the Securities Act, or have been registered or qualified under the securities laws of any state, the Company in its sole and absolute discretion for any reason or no reason at any time and from time to time may impose restrictions upon the sale, pledge or other transfer of such Common Shares (including the placement of appropriate legends on certificates or the imposition of stop-transfer instructions on the certificates or book entries, as applicable) if, in the judgment of the Company, such restrictions are necessary or desirable in order to achieve compliance with the Securities Act, the Exchange Act, the securities laws of any state or other jurisdiction or any other applicable laws, rules and regulations or any applicable stock exchange rules or regulations.

(f) Notice of Disposal of Common Shares; Withholding. To the extent the Option is an ISO, if Grantee shall dispose of any of the Common Shares of the Company acquired by Grantee pursuant to the exercise of such portion of the Option that is an ISO within two years from the Grant Date or within one year after the transfer of any such shares to Grantee upon exercise of such portion of the Option, then, in order to provide the Company with the opportunity to claim the benefit of any income tax deduction (if any) which may be available to it under the circumstances, Grantee shall promptly notify the Company of the dates of acquisition and disposition of such shares, the number of shares so disposed of, and the consideration, if any, received for such shares. In order to comply with all applicable federal or state income tax laws or regulations, the Company may take such action as it deems appropriate to insure: (i) notice to the Company of any disposition of the Common Shares of the Company within the time periods described above; and (ii) that, if necessary, all applicable federal or state payroll, withholding, income or other taxes are withheld or collected from Grantee.

(g) Confidential Treatment of Option. Grantee agrees to treat with confidentiality the existence, terms and conditions of this Agreement and the Option except to the extent specifically disclosed by the Company pursuant to applicable law, and agrees that failure to do so may result in immediate termination of the Option.

(h) Obligations Unaffected. Except as expressly set forth to the contrary in Section 6 of this Agreement, the obligations of Grantee under this Agreement shall be independent of, and unaffected by, and shall not affect, other agreements, if any, binding Grantee which apply to Grantee's business activities during and/or subsequent to Grantee's employment by the Company or any of its direct or indirect subsidiaries or affiliates.

(i) Survival. Any provision of this Agreement which logically would be expected to survive termination or expiration, shall survive for a reasonable time period under the circumstances, whether or not specifically provided in this Agreement. Except as set forth to the contrary in this Agreement (including, without limitation, Section 6 of this Agreement), the obligations under this Agreement also shall survive any changes made in the future to the employment terms and conditions of Grantee, including without limitation changes in salary, benefits, bonus plans, job or position title and job responsibilities.

(j) Complete Agreement; No Waiver. This Agreement constitutes the entire, final and complete understanding between the parties hereto with respect to the subject matter of this Agreement, and, except as specifically set forth in this Agreement, supersedes and replaces all previous understandings or agreements, written, oral, or implied, with respect to the subject matter of this Agreement made or existing before the date of this Agreement. Except as expressly provided by this Agreement, no waiver or modification of any of the terms or conditions of this Agreement shall be effective unless in writing and signed by both parties. The failure of any party to insist upon strict performance of any provision of this Agreement shall not be construed as a waiver of any subsequent breach of the same or similar nature.

(k) Severability. Each provision of this Agreement shall be construed as separable and divisible from every other provision, and the enforceability of any one provision shall not limit the enforceability, in whole or in part, of any other provision. Except as otherwise set forth in this Agreement, in the event that a court, arbitrator or other body of competent jurisdiction holds any provision of this Agreement to be invalid, illegal, void or less than fully enforceable as to time, scope or otherwise, the parties agree that such provision shall be construed by limiting and reducing it to the minimum extent necessary to render such provision valid, legal and enforceable while preserving to the greatest extent permissible the original intent of the parties; the remaining terms and conditions of this Agreement shall not be affected by such alteration and shall remain in full force and effect. Notwithstanding the foregoing, in the event that any one or more of the covenants set forth in Section 5 of this Agreement are found to be unenforceable against the Grantee to any extent by the final non-appealable resolution of any litigation or other legal proceeding stemming from an actual, threatened, or attempted violation of such covenants by Grantee~~,~~ then the entire Option

(both vested and unvested) shall be deemed to have terminated and the Option (both vested and unvested) shall not be exercisable and no Common Shares shall be issuable in connection therewith as of the date of such finding.

(l) Summary Information. In the event that the Company provides Grantee (or anyone acting on behalf of Grantee) with summary or other information concerning, including or otherwise relating to Grantee's rights or benefits under this Agreement (including without limitation the Option, and any vesting thereof), such summary or other information shall in all cases be qualified in its entirety by this Agreement and the Plan, and, unless it explicitly states otherwise and is signed by an officer of the Company, shall not constitute an amendment or other modification hereto.

(m) Grantee Acknowledgements

(i) Grantee understands, acknowledges, agrees and hereby stipulates that he or she is executing this Agreement voluntarily and without any duress or undue influence by the Company or anyone else.

(ii) Grantee understands, acknowledges, agrees and hereby stipulates that he or she has carefully read, considered and understands all of the provisions of this Agreement, the Plan and the Company's policies reflected in this Agreement.

(iii) Grantee understands, acknowledges, agrees and hereby stipulates that he or she has asked any questions needed for him or her to understand the terms, consequences and binding effect of this Agreement and the Plan and Grantee fully understands them, including, without limitation, that he or she is waiving the right to a trial, a trial by jury, and common law claims for punitive and/or exemplary damages.

(iv) Grantee understands, acknowledges, agrees and hereby stipulates that he or she was provided an opportunity to seek the advice of an attorney and/or tax professional of his or her choice before accepting this Agreement.

(v) Grantee understands, acknowledges, agrees and hereby stipulates that the obligations and restrictions set forth in this Agreement are consistent with Grantee's right to sell his or her labor, the public's interest in unimpeded trade, are fair and reasonable, and are no broader than are reasonably required to protect the Company's interests.

(vi) Grantee understands, acknowledges, agrees and hereby stipulates that it is the Company's policy to seek legal recourse to the fullest extent possible for actual, threatened or attempted violation of, or challenges to the enforceability of, this Agreement. Grantee understands that nothing in this Agreement shall be construed to prohibit the Company from pursuing any other available remedies for such actual, threatened or attempted violation or challenges to enforceability, including, without limitation, the recovery of damages from Grantee. Grantee further agrees that, if he or she violates, threatens or attempts to violate, or challenges the enforceability of, this Agreement, it would be difficult to determine the damages and lost profits which the Company would suffer as a result thereof including, but not limited to, losses attributable to lost or misappropriated Confidential Information and Trade Secrets and losses stemming from violations of the non-disclosure, non-compete and/or non-solicitation obligations set forth above. Accordingly, Grantee agrees that if he or she violates, threatens or attempts to violate or challenges the enforceability of this Agreement, then the Company shall be entitled to an order for injunctive relief and/or for specific performance, or their equivalent, in addition to money damages and any other remedies otherwise available to it at law or equity. Such injunctive relief includes but is not limited to requirements that Grantee take action or refrain from taking action to avoid competing

with the Company, to avoid soliciting the Company's employees or customers, to preserve the secrecy of Confidential Information and Trade Secrets, to not use Confidential Information and Trade Secrets, to avoid conflicts of interest and to protect the Company from irreparable harm. Grantee expressly agrees that the Company does not need to post a bond to obtain an injunction and Grantee waives the right to require such a bond.

(n) Notice. All notices to the Company shall be addressed to: EchoStar Corporation, 100 Inverness Terrace East, Englewood, Colorado, 80112, Attn: Corporate Secretary, or to such other address or person as the Company may notify Grantee from time to time. All notices to Grantee or other person or persons then entitled to exercise the Option shall be addressed to Grantee or such other person(s) at Grantee's address on file with the Company, or to such other address as Grantee or such person(s) may notify the Company or its administrator for the Option in writing from time to time.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

Upon Grantee's acceptance of the terms and conditions set forth in this Agreement through the electronic grant process available through the Administrator, this Agreement shall become effective between the parties as of the Grant Date.

ECHOSTAR CORPORATION

GRANTEE – [Participant Name] Accepted on [Acceptance Date]

ECHOSTAR CORPORATION
NON-EMPLOYEE DIRECTOR STOCK OPTION AGREEMENT

This Stock Option Agreement (the "Agreement") is entered into effective as of [Grant Date] (the "Grant Date"), by and between EchoStar Corporation, a Nevada corporation (the "Company"), and [Grantee Name] ("Grantee").

RECITAL

WHEREAS, the Company, pursuant to its 2017 Non-Employee Director Stock Incentive Plan (as amended from time to time, the "Plan") desires to grant this stock option to Grantee, and Grantee desires to accept such stock option, each under the terms and conditions set forth in this Agreement; and

WHEREAS, the Option (as defined below) is intended to be consideration in exchange for the covenants herein contained and not in exchange for any right with respect to continuance of service to the Company.

AGREEMENT

NOW, THEREFORE, in consideration of the premises, the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Grant of Option

The Company hereby grants to Grantee, as of the Grant Date, the right and option (hereinafter called the "Option") to purchase all or any part of an aggregate of [Number of Options Granted] shares of the Class A common stock of the Company, par value $0.001 per share (the "Common Shares"), at the price of $[Grant Price] per share (the "Option Price"), on the terms and conditions set forth in this Agreement, which price is equal to or greater than the fair market value of a Common Share on the Grant Date (or the last trading day prior to the Grant Date, if the Grant Date was not a trading day). The Option Price is subject to adjustment as provided in this Agreement and the Plan. The Option is intended to be a non-statutory stock option that does not qualify as an "incentive stock option" within the meaning of the Internal Revenue Code of 1986, as amended, and regulations thereunder (the "Code").

Notwithstanding anything in the Plan to the contrary, this Agreement and the Option granted hereunder shall be null and void and of no further force and effect unless and until the Grantee shall have accepted and acknowledged this Agreement within thirty (30) days after the Grant Date by following the current procedures implemented by the Company's administrator for the Plan (the "Administrator"), as such Administrator and procedures are designated by the Company in its sole and absolute discretion for any reason or no reason from time to time.

2. Duration and Exercisability

(a) Subject to the terms and conditions set forth in this Agreement and the Plan, the Option shall vest on the Grant Date.

(b) Except as permitted pursuant to the Plan, (i) during the lifetime of Grantee, the Option shall be exercisable only by Grantee or, if permissible under applicable law, by Grantee's guardian or legal representative, (ii) the Option shall not be assignable or transferable by Grantee, other than by will or the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code, Title I of the Employee Retirement Income Security Act, or the rules promulgated thereunder, (iii) the Option may not be sold, assigned, transferred or otherwise disposed of, or pledged, alienated, attached, hypothecated,

or otherwise encumbered in any manner (whether by operation of law or otherwise), and will not be subject to execution, attachment or other process, and (iv) any Common Shares issued upon the exercise of the Option may not be sold or otherwise disposed of by the Grantee within six months after the Grant Date. Any purported sale, assignment, transfer, pledge, alienation, attachment or encumbrance in violation of the terms of this Agreement or the Plan shall be void and unenforceable against the Company or any of its subsidiaries. Any sale, assignment, transfer, pledge, hypothecation or other disposition of the Option or any attempt to make any such levy of execution, attachment or other encumbrance will cause the Option to terminate immediately, unless the Board of Directors of the Company or the Committee (as defined in the Plan) in their sole and absolute discretion for any reason or no reason at any time and from time to time, specifically waives applicability of this provision.

(c) Notwithstanding any other provisions in this Agreement or the Plan, the Option shall expire and terminate, and shall cease to be exercisable, on [insert date that is [XX] years after the Grant Date] (the "Expiration Date").

(d) The Company assumes no responsibility for individual income taxes, penalties or interest related to the grant, vesting, adjustment, termination or exercise of the Option or any subsequent disposition of Common Shares. **Grantee should consult with Grantee's personal tax advisor regarding the tax ramifications, if any, which result from the grant, vesting, adjustment, termination or exercise of the Option, and any subsequent disposition of Common Shares.** If, in the Company's sole and absolute discretion for any reason or no reason at any time and from time to time, it is necessary or appropriate to collect or withhold federal, state or local taxes in connection with the grant, vesting, adjustment, termination or exercise of any portion of the Option and/or any subsequent disposition of Common Shares, the Company shall be entitled to require the payment of such amounts as a condition to exercise.

(e) In accepting the terms and conditions of this Agreement and the Option and in considering the exercise of the Option, Grantee understands, acknowledges, agrees and hereby stipulates that he or she has used and shall use the same independent investment judgment that Grantee would use in making other investments in corporate securities. Among other things, stock prices will fluctuate over any reasonable period of time and the price of the Common Shares may go down as well as up. No guarantees are made as to the future prospects of the Company or the Common Shares, or that any market for sale of the Common Shares will exist in the future. No representations are made by the Company except as may be contained in any active registration statement on file with the United States Securities and Exchange Commission ("SEC") relating to the Plan at the time of the applicable exercise of the Option.

3. Effect of Termination of Director's Status Before Exercise

(a) In the event that Grantee shall cease to be a director of the Company for any reason other than Grantee's death or disability (as described in Section 3(b) of this Agreement), any portion of the Option then held by the Grantee shall remain exercisable after the termination of his or her status as a director of the Company for a period of three months (but in no event beyond the Expiration Date).

(b) In the event that Grantee shall die while serving as a director of the Company or if Grantee shall cease to be a director of the Company because Grantee becomes disabled (within the meaning of Section 22(e)(3) of the Code and regulations thereunder) while serving as a director of the Company and Grantee shall not have exercised the Option to the extent of the full number of vested Common Shares that Grantee was entitled to exercise under the Option as of the date of such death or cessation of service as a director of the Company on account of disability, as applicable, then such Option may be exercised at any time within twelve months after the date of such death or cessation of service as a director of the Company on account of disability (but in no event beyond the Expiration Date) by Grantee or the personal representatives or administrators, executor or guardians of Grantee, as applicable, or by any person or persons to whom the Option is transferred by will or the applicable laws of descent and distribution, **but only** to the extent of the full number of vested Common Shares that Grantee was entitled to purchase under the Option on the date

of such death or cessation of service as a director of the Company on account of disability, as applicable, subject to the conditions that (i) any vested or exercisable portion of the Option not exercised within that twelve month period shall terminate and cannot be exercised following expiration of that twelve month period, (ii) any portion of the Option not vested or otherwise not exercisable as of the date of such death or cessation of service as a director of the Company on account of disability, as applicable, shall be deemed to have terminated and cannot be exercised as or after such date, and (iii) no portion of the Option shall be exercisable (whether vested or unvested) after the Expiration Date. The termination of the Option by reason of this Section 3(b) shall be without prejudice to any right or remedy which the Company may have against the Grantee or other holder of the Option or any Common Shares issued or issuable upon exercise of the Option.

(c) Notwithstanding any other provision in this Agreement or the Plan or any termination or expiration of the Option, the covenants set forth in Section 5 of this Agreement shall continue in force in accordance with their terms unless otherwise terminated by the Company.

4. Manner of Exercise

(a) The Option can be exercised only by Grantee or other proper party as described in Section 2(b), Section 3(b) and/or Section 4(c) of this Agreement, in whole Common Shares, by following, prior to the earlier of any forfeiture or termination or the Expiration Date, the then current procedures implemented by the Administrator, as such Administrator and procedures are designated by the Company in its sole and absolute discretion for any reason or no reason at any time and from time to time. The instruction to exercise the Option must be made by a person entitled to exercise the Option and shall (i) include, among other things, the number of Common Shares as to which the Option is being exercised, (ii) contain a representation and agreement as to Grantee's investment intent with respect to the Common Shares in a form satisfactory to the Company (unless a Prospectus meeting applicable requirements of the Securities Act of 1933, as amended (“Securities Act”), is in effect for the Common Shares being purchased pursuant to exercise of the Option), and (iii) be accompanied by payment in full of the Option Price for all Common Shares designated in the instruction. The instruction to exercise shall be sent as set forth in Section 6(l) of this Agreement or in such other manner pursuant to the then-applicable procedures implemented by the Administrator.

(b) Except as otherwise provided for by the then-current procedures implemented by the Administrator or as otherwise specified in Section 4(c) of this Agreement, Grantee shall pay the Option Price for the Common Shares purchased in cash or by certified or bank cashier's check.

(c) If, upon the close of trading on the NASDAQ Stock Market (or, in the event that the Common Shares are no longer listed and traded on the NASDAQ Stock Market, such other stock exchange on which the Common Shares are then listed and traded) (the “Market Close”) on the Expiration Date (or the last trading day prior to the Expiration Date (if the Expiration Date is not a trading day)) (the “Expiration Exercise Date”), all or any portion of the Option is vested and exercisable, then the vested and exercisable portion of the Option shall be automatically exercised upon the Market Close on the Expiration Exercise Date without any further action by Grantee (or any other proper party as described in Section 2(b) and/or Section 3(b) of this Agreement) pursuant to the applicable then-current procedures implemented by the Administrator (the “Expiration Exercise Procedures”), as such Administrator and Expiration Exercise Procedures are designated by the Company in its sole and absolute discretion for any reason or no reason at any time and from time to time.

Pursuant to the Expiration Exercise Procedures: (i) the following costs and expenses will be satisfied by withholding otherwise deliverable Common Shares to be issued upon the automatic exercise of the Option: (A) the Option Price for the full number of vested Common Shares that are automatically exercised under the Option pursuant to this Section 4(c); (B) the Administrator’s fees and commissions, if any; (C) other brokerage fees and commissions, if any; and (D) all withholding and all other obligations with regard to any individual income taxes (which Grantee understands, acknowledges, agrees and hereby stipulates

may be withheld at the highest then-current tax rate), penalties or interest related to the grant, vesting, adjustment, termination or exercise of the Option and/or any subsequent disposition of Common Shares in connection with the Expiration Exercise Procedures or otherwise; and (ii) the number of whole Common Shares, if any, remaining after completion of all withholding as described in subsection (i) of these Expiration Exercise Procedures shall be issued to Grantee. Without limitation of the generality of Section 2(d) of this Agreement, in the event that the amounts withheld pursuant to the Expiration Exercise Procedures are insufficient to satisfy Grantee's actual individual income tax, penalty and/or interest obligations, Grantee understands, acknowledges, agrees and hereby stipulates that Grantee, and not the Company, shall be solely responsible and liable for payment of any deficiencies. Only an Option that is "in-the-money" at Market Close on the Expiration Exercise Date shall be automatically exercised pursuant to this Section 4(c). An Option shall be considered "in-the-money" for purposes of this Section 4(c) if the fair market value of a Common Share upon the Market Close on the Expiration Exercise Date is at least one percent (1%) greater than the Option Price. Furthermore, and without limitation of the generality of the preceding sentence, any exercise of the Option that would result in the issuance of less than one whole Common Share to Grantee pursuant to the Expiration Exercise Procedures shall not be automatically exercised pursuant to this Section 4(c). Grantee (on its own behalf and on behalf of each and every other proper party as described in Section 2(b) and/or Section 3(b) of this Agreement) hereby expressly authorizes and agrees to the automatic exercise of the Option as provided in this Section 4(c) (and shall be deemed to have given all instructions and representations required under Section 4(a) of this Agreement in connection with the automatic exercise of the Option as provided in this Section 4(c)), and neither the approval of the Administrator, nor the consent of Grantee (or any other proper party as described in Section 2(b) and/or Section 3(b) of this Agreement) shall be required at the time of the automatic exercise of the Option pursuant to this Section 4(c). For the avoidance of doubt, Grantee may exercise any vested and exercisable portion of the Option prior to Market Close on the Expiration Exercise Date. **Grantee understands, acknowledges, agrees and hereby stipulates that the automatic exercise procedure pursuant to this Section 4(c) is provided solely as a convenience to Grantee as protection against Grantee's inadvertent failure to exercise all or any portion of an "in-the-money" Option that is vested and exercisable before such Option expires under this Agreement. Because any exercise of all or any portion of the Option is solely Grantee's responsibility, Grantee hereby waives and releases and agrees to indemnify and hold the Company harmless from and against any and all claims of any kind whatsoever against the Company and/or any other party (including without limitation, the Administrator and the Company's employees and agents) arising out of or relating to the automatic exercise procedure pursuant to this Section 4(c) (or any failure thereof), including without limitation any resulting individual income tax, penalty and/or interest liability and/or any other liability if the automatic exercise of the Option does occur, or does not occur for any reason or no reason whatsoever and/or the Option actually expires.**

(d) Unless notified by the Company or the Administrator to the contrary, the Common Shares issuable on exercise of the Option shall be deemed issued on the date specified by the Company, within five (5) business days following the date that the Company determines that all requirements for issuance of the Common Shares have been properly completed. The Company shall have no obligation to issue the Common Shares upon the exercise of any portion of the Option until it has confirmed to its satisfaction that all requirements for the issuance have been accomplished. Any notice of exercise shall be void and of no effect if all requisite events have not been accomplished.

(e) Unless the Company waives applicability of this provision, the certificate or certificates for the Common Shares, if any, as to which the Option shall be exercised or the book entries, as applicable, may be registered only in the name of the Grantee (or if the Grantee so requests in the notice of exercise of the Option, jointly in the name of the Grantee and with a member of the Grantee's family, with the right of survivorship, or in the event of the death of Grantee, in the name of such survivor of the Grantee as the person with the right to exercise the Option shall designate).

5. Protection of Confidential Information and Trade Secrets.

(a) Grantee agrees to hold in a fiduciary capacity for the benefit of the Company any and all proprietary and confidential information, knowledge, ideas and data, including, without limitation, customer lists and the Company's trade secrets, products, processes and programs ("Confidential Information and Trade Secrets"), relating in any way to the present or future business or activities of the Company for as long as such Confidential Information and Trade Secrets remain confidential (for clarification purposes, this restriction shall include, but not be limited to, the obligation of and agreement by Grantee not to disclose to, or use to or for the benefit of, any person or entity other than the Company any Confidential Information and Trade Secrets). Such Confidential Information and Trade Secrets include but are not limited to: (i) the Company's financial and business information, such as capital structure, operating results, strategies and plans for future business, pending projects and proposals and potential acquisitions or divestitures; (ii) product and technical information, such as product formulations, new and innovative product ideas, proprietary credit scoring models and approaches, credit policies, new business developments, plans, designs, compilation methods, processes, procedures, program devices, data processing programs, software, software codes, hardware, firmware and research and development products; (iii) marketing information, such as new marketing ideas, mailing lists, the identity and number of the Company's customers and prospects, their names and addresses and sales and marketing plans; (iv) information about the Company's third-party agreements and any confidential or protected information disclosed to the Company by a third-party; (v) the Company's suppliers, partners, customers and prospect lists; and (vi) personnel information, such as the identity and number of the Company's employees, their salaries, bonuses, benefits, skills, qualifications and abilities. For the avoidance of doubt and notwithstanding the foregoing, the term "trade secrets" shall mean items of Confidential Information and Trade Secrets that meet the requirements of the Uniform Trade Secrets Act, as adopted in the state of Colorado and as amended from time to time or under the Defend Trade Secrets Act, 18 U.S.C. §1833, et seq. Under the federal Defend Trade Secrets Act of 2016, Grantee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (x) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (y) is made to Grantee's attorney in relation to a lawsuit for retaliation against Grantee for reporting a suspected violation of law; or (z) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. All Confidential Information and Trade Secrets, together with all copies thereof and notes and other references thereto, shall remain the sole property of the Company. To the extent that Grantee possesses any Confidential Information and Trade Secrets or equipment belonging to the Company, Grantee agrees to deliver to the Company, immediately upon cessation of his or her service as a director of the Company and at any time and from time to time as the Company requests: (i) any and all documents, files, notes, memoranda, databases, computer files, and/or other computer programs reflecting any Confidential Information and Trade Secrets; and (ii) any and all computer equipment, home office equipment, automobile, or other business equipment belonging to the Company that Grantee may then possess or have under his or her control. For any equipment or devices owned by Grantee on which proprietary information of the Company is stored or accessible, Grantee shall, immediately upon or prior to cessation of his or her service as a director of the Company, deliver such equipment or devices to the Company so that any proprietary information may be deleted or removed. Grantee expressly authorizes the Company's designated representatives to access such equipment or devices for this limited purpose and shall provide any passwords and/or passcodes necessary to accomplish this task. Grantee acknowledges that all Confidential Information and Trade Secrets is essential to the Company's present and future business and activities, and is therefore deemed trade secrets and is considered proprietary to, and treated as confidential by, the Company. This obligation of confidentiality is intended to supplement, and is not intended to supersede or limit, the obligations of confidentiality Grantee has to the Company by agreement, law or otherwise.

(b) Remedies. Grantee understands, acknowledges, agrees and hereby stipulates that any and all actual, threatened or attempted violations of any and all covenants in this Agreement (including, without limitation, covenants in this Section 5), may cause the Company irreparable harm, which may not be compensated for by monetary damages alone.

(c) No Waiver. In addition to (and without limitation of) the other terms and conditions of this Agreement, the failure of the Company to insist upon strict performance of any provision of any agreement between the Company, on the one hand, and another grantee, director, employee, person or entity, on the other hand, shall not be construed as a waiver of the Company's right to insist upon strict performance of each and every representation, warranty, covenant, duty and obligation of Grantee hereunder. In addition to (and without limitation of) the foregoing, the election of certain remedies by the Company with respect to the breach or default by another grantee, director, employee, person or entity of any agreement between the Company, on the one hand, and such other grantee, director, employee, person or entity, on the other hand, shall not be deemed to prejudice any rights or remedies that the Company may have at law, in equity, under contract (including without limitation this Agreement) or otherwise with respect to a similar or different breach or default hereunder by Grantee (all of which are hereby expressly reserved).

6. Miscellaneous

(a) Option Subject to the Plan. The Option is issued pursuant to the Plan and is subject to its terms and conditions. The terms and conditions of the Plan are available for inspection during normal business hours at the principal offices of the Company. The Committee has final authority to decide, interpret, determine and calculate any and all aspects of the Plan in its sole and absolute discretion for any reason or no reason at any time and from time to time.

(b) No Right to Continued Service as a Director; No Rights as Shareholder. This Agreement shall not confer upon Grantee any right with respect to continuance of directorship with the Company or any of its direct or indirect subsidiaries, nor will it interfere in any way with the right of the Company to terminate such service or remove Grantee for any reason or no reason at any time and from time to time. The holder of the Option will not have any right to dividends or any other rights of a shareholder with respect to Common Shares subject to the Option until such Common Shares shall have been issued to Grantee upon valid exercise of the Option in accordance with this Agreement and the Plan (as evidenced by the records of the transfer agent of the Company).

(c) Changes in Capital Structure. If there shall be any change in the Common Shares of the Company through merger, consolidation, reorganization, recapitalization, dividend in the form of stock (of whatever amount), stock split or other change in the corporate structure of the Company, then appropriate adjustments may be made by the Company, as determined in the sole and absolute discretion of the Committee for any reason or no reason at any time and from time to time, to prevent dilution or enlargement of Grantee's rights under the Option. Such adjustments may include, where appropriate, changes in the number of shares of Common Shares and the price per share subject to the outstanding Option. Notwithstanding the foregoing, no action that would modify the treatment of the Option under the Code shall be effective unless agreed to in writing by both parties.

(d) Assigns and Successors. This Agreement shall inure to the benefit of the Company's assigns and successors and its and their direct and indirect subsidiaries.

(e) Compliance with Law; Legal Requirements. The Company shall at all times during the term of the Option reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Agreement. The exercise of all or any part of the Option shall only be effective at such time that the issuance and sale of Common Shares pursuant to such exercise will not violate any federal or state securities or other laws. The Company may suspend Grantee's or any holder's of the Option right to exercise the Option and shall not issue or deliver the Common Shares underlying the Option unless it is satisfied in its judgment that the issuance and sale of Common Shares will not violate any of the provisions of the Securities Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), any rules or regulations of the SEC promulgated thereunder, or the requirements of applicable state law relating to authorization, issuance or sale of securities, other applicable laws, rules and regulations or any applicable stock exchange, or any other applicable laws, rules or regulations, or until there has been compliance with

the provisions of such acts, laws and rules. If the Company in its sole and absolute discretion so elects, it may register the Common Shares issuable upon the exercise of the Option under the Securities Act and list the Common Shares on any securities exchange. In the absence thereof, Grantee understands that neither the Option nor the Common Shares issuable upon the exercise thereof will be registered under the Securities Act, or tradeable on any securities exchange, and Grantee represents that the Option is being acquired, and that such Common Shares that will be acquired pursuant to exercise of the Option, if any, will be acquired, by Grantee for investment and not with a view to distribution thereof. In the absence of an effective registration statement meeting the requirements of the Securities Act, upon any sale or transfer of the Common Shares issued pursuant to the Option, Grantee shall deliver to the Company an opinion of counsel satisfactory to the Company to the effect that the sale or transfer of the Common Shares does not violate any provision of the Securities Act or the Exchange Act. Grantee understands that the Company is under no obligation to register or qualify the Common Shares with the SEC, any state securities commission or any stock exchange to effect such compliance and that Grantee will have no recourse to or claim against the Company if the Company determines pursuant to this Section 6(e) that it is unable to deliver the Common Shares upon exercise of the Option. Regardless of whether the offering and sale of the Common Shares have been registered under the Securities Act, or have been registered or qualified under the securities laws of any state, the Company in its sole and absolute discretion for any reason or no reason at any time and from time to time may impose restrictions upon the sale, pledge or other transfer of such Common Shares (including the placement of appropriate legends on certificates or the imposition of stop-transfer instructions on the certificates or book entries, as applicable) if, in the judgment of the Company, such restrictions are necessary or desirable in order to achieve compliance with the Securities Act, the Exchange Act, the securities laws of any state or other jurisdiction or any other applicable laws, rules and regulations or any applicable stock exchange rules or regulations.

(f) Confidential Treatment of Option. Grantee agrees to treat with confidentiality the existence, terms and conditions of this Agreement and the Option except to the extent disclosed by the Company pursuant to applicable law, and agrees that failure to do so may result in immediate termination of the Option.

(g) Disputes; Governing Law. The relationship between the parties including all disputes and claims, whether arising in contract, tort, or under statute, shall be governed by and construed in accordance with the laws of the State of Colorado without giving any effect to its conflict of law provisions. Any and all disputes arising out of, or in connection with, the interpretation, performance or the nonperformance of this Agreement or any and all disputes arising out of, or in connection with, transactions in any way related to this Agreement or the Option and/or the relationship between the parties (including but not limited to the termination of this Agreement, Grantee’s service as a director, and Grantee's rights with respect thereto or disputes under rights granted pursuant to statutes or common law, including those in the state in which Grantee is located) shall be litigated solely and exclusively before the United States District Court for the District of Colorado. Grantee and Company each consent to the in personam jurisdiction of said court for the purposes of any such litigation, and waive, fully and completely, any right to dismiss and/or transfer any action pursuant to 28 U.S.C.S. 1404 or 1406 (or any successor statute). In the event the United States District Court for the District of Colorado does not have subject matter jurisdiction of said matter, then such matter shall be litigated solely and exclusively before the appropriate state court of competent jurisdiction located in Arapahoe County, State of Colorado.

(h) Survival. Any provision of this Agreement which logically would be expected to survive termination or expiration, shall survive for a reasonable time period under the circumstances, whether or not specifically provided in this Agreement. Except as set forth to the contrary in this Agreement, the obligations under this Agreement also shall survive termination of Grantee’s service as a director of the Company and any changes made in the future to the terms of Grantee’s service as a director of the Company.

(i) Complete Agreement; No Waiver. This Agreement constitutes the entire, final and complete understanding between the parties hereto with respect to the subject matter of this Agreement, and it supersedes and replaces all previous understandings or agreements, written, oral, or implied, with respect

to the subject matter of this Agreement made or existing before the date of this Agreement. Except as expressly provided by this Agreement, no waiver or modification of any of the terms or conditions of this Agreement shall be effective unless in writing and signed by both parties. The failure of any party to insist upon strict performance of any provision of this Agreement shall not be construed as a waiver of any subsequent breach of the same or similar nature.

(j) Severability. Each provision of this Agreement shall be construed as separable and divisible from every other provision and the enforceability of any one provision shall not limit the enforceability, in whole or in part, of any other provision. Except as otherwise set forth in this Agreement, in the event that a court, arbitrator or other body of competent jurisdiction holds any provision of this Agreement to be invalid, illegal, void or less than fully enforceable as to time, scope or otherwise, the parties agree that such provision shall be construed by limiting and reducing it to the minimum extent necessary to render such provision valid, legal and enforceable while preserving to the greatest extent permissible the original intent of the parties; the remaining terms and conditions of this Agreement shall not be affected by such alteration, and shall remain in full force and effect.

(k) Summary Information. In the event that the Company provides Grantee (or anyone acting on behalf of Grantee) with summary or other information concerning, including or otherwise relating to Grantee's rights or benefits under this Agreement (including without limitation the Option, and any vesting thereof), such summary or other information shall in all cases be qualified in its entirety by this Agreement and the Plan, and, unless it explicitly states otherwise and is signed by an officer of the Company, shall not constitute an amendment or other modification hereto.

(l) Grantee Acknowledgements.

(i) Grantee understands, acknowledges, agrees and hereby stipulates that he or she is executing this Agreement voluntarily and without any duress or undue influence by the Company or anyone else.

(ii) Grantee understands, acknowledges, agrees and hereby stipulates that he or she has carefully read, considered and understands all of the provisions of this Agreement, the Plan and the Company's policies reflected in this Agreement.

(iii) Grantee understands, acknowledges, agrees and hereby stipulates that he or she has asked any questions needed for him or her to understand the terms, consequences and binding effect of this Agreement and the Plan and Grantee fully understands them.

(iv) Grantee understands, acknowledges, agrees and hereby stipulates that he or she was provided an opportunity to seek the advice of an attorney and/or tax professional of his or her choice before accepting this Agreement.

(v) Grantee understands, acknowledges, agrees and hereby stipulates that the obligations and restrictions set forth in this Agreement are consistent with Grantee's right to sell his or her labor, the public's interest in unimpeded trade, are fair and reasonable, and are no broader than are reasonably required to protect the Company's interests.

(vi) Grantee understands, acknowledges, agrees and hereby stipulates that it is the Company's policy to seek legal recourse to the fullest extent possible for actual, threatened or attempted violation of this Agreement. Grantee understands that nothing in this Agreement shall be construed to prohibit the Company from pursuing any other available remedies for any such actual, threatened or attempted violations of this Agreement, including the recovery of damages from Grantee. Grantee further agrees that, if he or she violates, threatens or attempts to violate this Agreement, it would be difficult to determine the damages and lost profits which the Company

would suffer as a result thereof including, but not limited to, losses attributable to lost or misappropriated Confidential Information and Trade Secrets and losses stemming from violations of the non-disclosure obligations set forth above. Accordingly, Grantee agrees that if he or she violates, threatens or attempts to violate this Agreement, then the Company shall be entitled to an order for injunctive relief and/or for specific performance, or their equivalent, in addition to money damages and any other remedies otherwise available to it at law or equity. Such injunctive relief includes but is not limited to requirements that Grantee take action or refrain from taking action to preserve the secrecy of Confidential Information and Trade Secrets, to not use Confidential Information and Trade Secrets and to protect the Company from irreparable harm. Grantee expressly agrees that the Company does not need to post a bond to obtain an injunction and Grantee waives the right to require such a bond.

(m) Notice. All notices to the Company shall be addressed to: EchoStar Corporation, 100 Inverness Terrace East, Englewood, Colorado, 80112, Attn: Corporate Secretary, or to such other address or person as the Company may notify Grantee from time to time. All notices to Grantee or other person or persons then entitled to exercise the Option shall be addressed to Grantee or such other person(s) at Grantee's address on file with the Company, or to such other address as Grantee or such person(s) may notify the Company or its administrator for the Option in writing from time to time.

7. [SIGNATURES APPEAR ON FOLLOWING PAGE]

Upon Grantee's acceptance of the terms and conditions set forth in this Agreement through the electronic grant process available through the Administrator, this Agreement shall become effective between the parties as of the Grant Date.

ECHOSTAR CORPORATION

GRANTEE – [Grantee Name]
Accepted on [Acceptance Date]

ECHOSTAR CORPORATION
EXECUTIVE OFFICER RESTRICTED STOCK UNIT AGREEMENT

This Restricted Stock Unit Agreement (the "Agreement") is entered into effective as of [Grant Date] (the "Grant Date"), by and between EchoStar Corporation, a Nevada corporation (the "Company"), and [Participant Name] ("Grantee").

RECITAL

WHEREAS, the Company, pursuant to its 2017 Stock Incentive Plan (as amended from time to time, the "Plan") desires to grant restricted stock units to Grantee, and Grantee desires to accept such restricted stock units, each under the terms and conditions set forth in this Agreement; and

WHEREAS, the Units (as defined below) are intended to be consideration in exchange for the covenants herein contained and not in exchange for any right with respect to continuance of employment with or service to the Company or any of its direct or indirect subsidiaries.

AGREEMENT

NOW, THEREFORE, in consideration of the premises, the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Grant of Restricted Stock Units

The Company hereby grants to Grantee, as of the Grant Date, [Number of RSUs Granted] restricted stock units (hereinafter called the "Units"), each representing the right to receive one share of the Class A common stock of the Company, par value $0.001 per share (the "Common Shares"), upon vesting of that Unit on the terms and conditions set forth in this Agreement.

Notwithstanding anything in the Plan to the contrary, this Agreement and the Units granted hereunder shall be null and void and of no further force and effect unless and until the Grantee shall have accepted and acknowledged this Agreement within thirty (30) days after the Grant Date by following the current procedures implemented by the Company's administrator for the Plan (the "Administrator"), as such Administrator and procedures are designated by the Company in its sole and absolute discretion for any reason or no reason from time to time.

2. Duration and Vesting

(a) [Option 1: Subject to the terms and conditions set forth in this Agreement and the Plan and Grantee being an employee of the Company or its direct or indirect subsidiaries, if any, on each of the following vesting dates, the Units shall vest in accordance with the following vesting schedule (the "Vesting Dates") as follows: [_____]

No Common Shares shall be issued in exchange for any Unit until that Unit has vested and until Grantee has paid all applicable withholding taxes for such Unit.]

or

[Option 2: Subject to the terms and conditions set forth in this Agreement and the Plan and Grantee being an employee of the Company or its direct or indirect subsidiaries, if any, on each of the applicable

vesting dates set forth in Section (2)(f), each corresponding increment of the Units shall not vest unless and until the Company shall have achieved the applicable [agreement contains performance vesting criteria permitted under the Plan], in each case as calculated in accordance with Section 2(f).

No Common Shares shall be issued in exchange for any Unit until that Unit has vested and until Grantee has paid all applicable withholding taxes for such Unit.]

Notwithstanding the foregoing, vesting of the Units shall immediately cease upon the occurrence of any of the events provided for in Sections 3(a)-(d), as applicable.

(b) Except as permitted pursuant to the Plan, (i) during the lifetime of Grantee, the Common Shares issuable upon vesting of the Units shall be issued only to Grantee or, if permissible under applicable law, by Grantee's guardian or legal representative, (ii) the Units shall not be assignable or transferable by Grantee, other than by will or the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Internal Revenue Service Code of 1986, as amended, and regulations thereunder (the "Code"), Title I of the Employee Retirement Income Security Act, or the rules promulgated thereunder, and (iii) the Units may not be sold, assigned, transferred or otherwise disposed of, or pledged, alienated, attached, hypothecated, or otherwise encumbered in any manner (whether by operation of law or otherwise), and will not be subject to execution, attachment or other process. Any purported sale, assignment, transfer, pledge, alienation, attachment or encumbrance in violation of the terms of this Agreement or the Plan shall be void and unenforceable against the Company or any of its subsidiaries. Any sale, assignment, transfer, pledge, hypothecation or other disposition of the Units or any attempt to make any such levy of execution, attachment or other encumbrance will cause the Units to terminate immediately, unless the Board of Directors of the Company or the Committee (as defined in the Plan), in their sole and absolute discretion for any reason or no reason at any time and from time to time, specifically waives applicability of this provision.

(c) Notwithstanding any other provisions in this Agreement or the Plan, the Units shall expire and terminate on, and no Common Shares shall be issued in exchange for any Units on or after, [Date of Expiration] (the "Expiration Date").

(d) The Company assumes no responsibility for individual income taxes, penalties or interest related to the grant, vesting, forfeiture, termination, recoupment or adjustment of any Unit, or the issuance of Common Shares in exchange for any Unit or the subsequent disposition of any Common Shares issued in exchange for any Unit. **Grantee should consult with Grantee's personal tax advisor regarding the tax ramifications, if any, which result from the grant, vesting**, **forfeiture, termination, recoupment or adjustment of any Unit or the issuance of Common Shares in exchange for any Unit or any subsequent disposition of any such Common Shares.** If, in the Company's sole and absolute discretion for any reason or no reason at any time and from time to time, it is necessary or appropriate to collect or withhold federal, state or local taxes in connection with the grant, vesting, forfeiture, termination, recoupment or adjustment of any portion of the Units or the issuance of Common Shares in exchange for any Unit or any subsequent disposition of Common Shares, the Company shall be entitled to require the payment of such amounts as a condition to vesting. Prior to any relevant taxable or tax withholding event, as applicable, Grantee shall pay or make arrangements satisfactory to the Company to satisfy all withholding obligations. In furtherance and without limiting the generality of the foregoing, Grantee (on its own behalf and on behalf of each and every other proper party as described in Section 2(b) and/or Section 3(c) of this Agreement) hereby authorizes the Company, in its sole and absolute discretion for any reason or no reason at any time and from time to time (including without limitation, pursuant to the then-current procedures implemented by the Administrator, as such Administrator and procedures are designated by the Company in its sole and absolute discretion for any reason or no reason at any time and from time to time), to satisfy all withholding and all other obligations with regard to any individual income taxes, penalties or interest related to the grant, vesting, forfeiture, termination, recoupment or adjustment of any Unit or the issuance of Common Shares in exchange for any Unit or any subsequent disposition of Common Shares by one or a combination of the following:

(i) withholding from any wages or other cash or equity compensation payable to Grantee by the Company;

(ii) withholding Common Shares that are otherwise issuable upon vesting of the Units;

(iii) arranging for the sale of Common Shares that are otherwise issuable upon vesting of the Units, including, without limitation, selling Common Shares as part of a block trade with other grantees under the Plan or otherwise; and/or

(iv) withholding from the proceeds of the sale of Common Shares issued upon vesting of the Units or other Common Shares issuable to the Grantee.

(e) In considering the acceptance of the Units, Grantee understands, acknowledges, agrees and hereby stipulates that he or she has used the same independent investment judgment that Grantee would use in making other investments in corporate securities. Among other things, stock prices will fluctuate over any reasonable period of time and the price of the Common Shares may go down as well as up. No guarantees are made as to the future prospects of the Company or the Common Shares, or that any market for sale of the Common Shares will exist in the future. No representations are made by the Company except as may be contained in any active registration statement on file with the United States Securities and Exchange Commission ("SEC") relating to the Plan at the time of the applicable issuance of the Units and/or issuance of Common Shares in exchange for any Unit.

[(f) Provisions relating to the calculation of performance vesting criteria permitted under the Plan.]

3. Effect of Termination of Employment; Violation of Covenants; Covenants Found Unenforceable; Death or Disability; Demotion; Termination After Change in Control

(a) In the event that Grantee shall cease to be employed by the Company and/or its direct or indirect subsidiaries, if any, for any reason other than as a result of or in connection with Grantee's serious misconduct or violation of the covenants set forth in Section 5 of this Agreement or other circumstances as described in Section 3(b) of this Agreement or Grantee's death or disability (as described in Section 3(c) of this Agreement), and Grantee shall have at such time vested Units for which Common Shares have not yet been issued, Grantee shall have the right to have such Common Shares issued in exchange for such vested Units on the date of such cessation of employment, **but only** to the extent of the full number of Common Shares issuable in exchange for such vested Units on the date of such cessation of employment, subject to the conditions that (i) any portion of the Units not vested as of the date of such cessation of employment shall be deemed to have terminated as of such date, (ii) no Common Shares shall be issued in exchange for any unvested Units as of or following the date of such cessation of employment, and (iii) no portion of the Units (whether vested or unvested) shall vest after the Expiration Date. The termination of the Units by reason of this Section 3(a) shall be without prejudice to any right or remedy which the Company may have against the Grantee or other holder of the Units or any Common Shares issued or issuable in exchange for the Units.

(b) In the event that (i) Grantee shall cease to be employed by the Company and/or its direct or indirect subsidiaries, if any, by reason of Grantee's serious misconduct during the course of employment, including without limitation wrongful appropriation of the Company's or its subsidiaries' funds, theft of the Company's or its subsidiaries' property or other reasons as determined by the Company, (ii) Grantee violates any one or more of the covenants set forth in Section 5 of this Agreement as determined by the Company, or (iii) any one or more of the covenants set forth in Section 5 of this Agreement is found to be unenforceable against the Grantee to any extent by the final non-appealable resolution of any litigation or other legal

proceeding stemming from an actual, threatened, or attempted violation of any such covenants by Grantee, then all of the Units (both vested and unvested) shall be deemed to have terminated and no Common Shares shall be issuable in connection therewith, as of the date of the earliest to occur of: (A) the serious misconduct or cessation of employment, in all cases as the Company may select and as determined by the Company; (B) any violation of the covenants set forth in Section 5 of this Agreement as determined by the Company; or (C) any finding of unenforceability against the Grantee of any one or more of the covenants set forth in Section 5 of this Agreement to any extent by the final non-appealable resolution of any litigation or other legal proceeding stemming from an actual, threatened or attempted violation of any such covenants by Grantee. The termination of the Units by reason of this Section 3(b) shall be without prejudice to any right or remedy which the Company may have against the Grantee or other holder of the Units or any Common Shares issued or issuable in exchange for the Units. For clarification purposes, with respect to interpreting any and all violation(s) (or other logical formulation thereof such as "violates") of the covenants set forth in this Agreement (including without limitation, the covenants in Section 5 of this Agreement), such violation(s) shall include, but is not limited to, any actual, threatened or attempted violation of any such covenants by the Grantee that may result in, among other things, the Company or any of its direct or indirect subsidiaries having to seek a temporary restraining order, preliminary injunction, or other similar relief against the Grantee to attempt to prevent any such actual, threatened or attempted violation.

(c) In the event that Grantee shall die while in the employ of the Company or its direct or indirect subsidiaries, if any, or within one month after cessation of employment for reasons provided in Section 3(a) of this Agreement, or if Grantee's employment with the Company and/or its direct or indirect subsidiaries, if any, is terminated because Grantee has become disabled (within the meaning of Section 22(e)(3) of the Code and regulations thereunder) while in the employ of the Company or its direct or indirect subsidiaries, if any, and Grantee shall have vested Units for which Common Shares have not yet been issued as of the date of such death or termination on account of disability, as applicable, then such Common Shares shall be issued to the personal representatives or administrators, executor or guardians of Grantee, as applicable, or to any person or persons to whom the Units are transferred by will or the applicable laws of descent and distribution, **but only** to the extent of the full number of Common Shares issuable in exchange for such vested Units on the date of such death or termination on account of disability, as applicable, subject to the conditions that (i) any portion of the Units not vested on the date of such death or termination on account of disability shall be deemed to have terminated as of the date of such death or termination on account of disability, (ii) no Common Shares shall be issued in exchange for any unvested Units as of or following the date of such death or termination on account of disability, and (iii) no portion of the Units (whether vested or unvested) shall vest after the Expiration Date. The termination of the Units by reason of this Section 3(c) shall be without prejudice to any right or remedy which the Company may have against the Grantee or other holder of the Units or any Common Shares issued or issuable in exchange for the Units.

(d) In the event that Grantee is demoted (but remains employed) by the Company or its direct and indirect subsidiaries, if any, from Grantee's current level (e.g., chairman, chief executive officer, president, executive vice president, senior vice president, vice president, director, manager, or other level held by Grantee on the date of this Agreement), if Grantee shall have vested Units for which Common Shares have not yet been issued as of the date of such demotion, then Grantee shall have the right to have such Common Shares issued in exchange for such vested Units, **but only** to the extent of the full number of Common Shares issuable in exchange for such vested Units on the date of such demotion (the "Remaining Vested Units Following Demotion"), subject to the conditions that (i) any portion of the Units not vested as of the date of such demotion shall be deemed to have terminated as of the date of such demotion, (ii) no Common Shares shall be issued in exchange for any unvested Units as of or following the date of such demotion, and (iii) no portion of the Units (whether vested or unvested) shall vest after the Expiration Date. The termination of the Units by reason of this Section 3(d) shall be without prejudice to any right or remedy which the Company may have against the Grantee or other holder of the Units or any Common Shares issued or issuable in exchange for the Units.

(e) In the event that (i) a Change in Control occurs, and (ii) Grantee is terminated by the Company and/or its direct and indirect subsidiaries (and not simultaneously employed by the surviving entity or its direct or indirect subsidiaries-- if not the Company -- in connection with, as a result of, upon or after the Change in Control), for any reason other than for Cause, during the twenty-four (24) month period following such Change in Control, then all Units not previously vested shall immediately vest on the date of such termination and Common Shares shall be issued in exchange for all such vesting Units on such date, subject to the conditions that no portion of the Units (whether vested or unvested) shall vest after the Expiration Date.

For the purpose of this subsection 3(e), the capitalized terms shall have the following meanings: “Capital Stock” means any and all shares, interests, participations, rights or other equivalents, however designated, of corporate stock or partnership or membership interests, whether common or preferred. “Cause” means: (i) the willful and continued failure of Grantee to substantially perform his or her duties consistent with past practices prior to the Change in Control; (ii) any illegal conduct or gross misconduct which is materially injurious to the Company or its affiliates; (iii) Grantee has been convicted of or pleaded guilty or nolo contendere to a felony or any crime involving moral turpitude or dishonesty; or (iv) Grantee has been convicted of or pleaded guilty or nolo contendere to a felony, crime or engaged in conduct which results in a prohibition on the Grantee from serving, for any period of time, as an officer or director of a publicly-traded company by any federal, state or other regulatory governing body (including without limitation, an exchange or association such as NYSE or Nasdaq). "Change in Control" means: a transaction or a series of transactions the result of which is that any person (other than the Principal or a Related Party) individually owns more than fifty percent (50%) of the total voting power of the voting Equity Interests of either (A) the Company or (B) the surviving entity in any such transaction(s) or a controlling affiliate of such surviving entity in such transaction(s). "Equity Interest" means any Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock). "Principal" means Charles W. Ergen. "Related Party" means, with respect to the Principal, (a) the spouse and each immediate family member of the Principal; (b) each trust, corporation, partnership or other entity of which the Principal and/or the Principal’s spouse and/or immediate family members beneficially holds an eighty percent (80%) or more controlling interest; and (c) all trusts, including grantor retained annuity trusts, established by the Principal for the benefit of his family.

(f) Notwithstanding any other provision in this Agreement or the Plan or any termination or expiration of any Units, the covenants set forth in Section 5 of this Agreement shall continue in force in accordance with their terms unless otherwise terminated by the Company.

4. Manner of Issuance of Common Shares

(a) The Units and the Common Shares issuable upon vesting of the Units shall be issued only to Grantee or other proper party as described in Section 2(b), Section 3(c) and/or Section 4(c) of this Agreement, in whole Common Shares upon meeting the applicable vesting requirements for the Units represented by this Agreement and by following, prior to the earlier of any forfeiture or termination or the Expiration Date, the then-current procedures implemented by the Administrator, as such Administrator and procedures are designated by the Company in its sole and absolute discretion for any reason or no reason at any time and from time to time.

(b) Unless notified by the Company or the Administrator to the contrary, the Common Shares issuable upon the vesting of the Units shall be deemed issued on the date specified by the Company within five (5) business days following the date that the Company determines that all requirements for issuance of the Common Shares have been properly completed, including, without limitation, payment of all applicable withholding taxes. The Company shall have no obligation to issue the Common Shares upon the vesting of the Units until it has confirmed to its satisfaction that all requirements for vesting of the Units and issuance of the Common Shares have been accomplished.

(c) Unless the Company waives applicability of this provision, the certificate or certificates for the Common Shares, if any, which are issued pursuant to the vesting of the Units or the book-entries, as applicable, may be registered only in the name of Grantee (or if Grantee so requests, jointly in the name of Grantee and with a member of Grantee's family, with the right of survivorship, or in the event of the death of Grantee, in the name of such survivor of Grantee as the person with the right to receive the Common Shares issuable upon the vesting of the Units shall designate).

5. Protection of Confidential Information and Trade Secrets

(a) Grantee shall serve the Company and its direct and indirect subsidiaries (collectively, the "Company" for purposes of this Section 5), loyally and in good faith and use Grantee's best efforts to promote the Company's interests. Grantee hereby agrees to protect from disclosure (for clarification purposes, such agreement to protect from disclosure shall include, without limitation, an agreement not to use) Confidential Information and Trade Secrets (as defined in Section 5(e) of this Agreement).

(e) Non-Disclosure and Non-Use of Confidential Information and Trade Secrets. Grantee further agrees to hold in a fiduciary capacity for the benefit of the Company any and all proprietary and confidential information, knowledge, ideas and data, including, without limitation, customer lists and the Company's trade secrets, products, processes and programs ("Confidential Information and Trade Secrets"), relating in any way to the present or future business or activities of the Company for as long as such Confidential Information and Trade Secrets remain confidential (for clarification purposes, this restriction shall include, but not be limited to, the obligation of and agreement by Grantee not to (i) disclose to, or use to or for the benefit of, any person or entity other than the Company any Confidential Information and Trade Secrets, and/or (ii) take a position where Grantee may use and/or disclose any Confidential Information and Trade Secrets). Such Confidential Information and Trade Secrets include but are not limited to: (i) the Company's financial and business information, such as capital structure, operating results, strategies and plans for future business, pending projects and proposals and potential acquisitions or divestitures; (ii) product and technical information, such as product formulations, new and innovative product ideas, proprietary credit scoring models and approaches, credit policies, new business developments, plans, designs, compilation methods, processes, procedures, program devices, data processing programs, software, software codes, hardware, firmware and research and development products; (iii) marketing information, such as new marketing ideas, mailing lists, the identity and number of the Company's customers and prospects, their names and addresses and sales and marketing plans; (iv) information about the Company's third-party agreements and any confidential or protected information disclosed to the Company by a third-party; (v) the Company's suppliers, partners, customers and prospect lists; and (vi) personnel information, such as the identity and number of the Company's other employees, their salaries, bonuses, benefits, skills, qualifications and abilities. For the avoidance of doubt and notwithstanding the foregoing, the term "trade secrets" shall mean items of Confidential Information and Trade Secrets that meet the requirements of the Uniform Trade Secrets Act, as adopted in the state of Colorado and as amended from time to time or under the Defend Trade Secrets Act, 18 U.S.C. §1833, et seq. Under the federal Defend Trade Secrets Act of 2016, Grantee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (x) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (y) is made to Grantee's attorney in relation to a lawsuit for retaliation against Grantee for reporting a suspected violation of law; or (z) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. All Confidential Information and Trade Secrets, together with all copies thereof and notes and other references thereto, shall remain the sole property of the Company. To the extent that Grantee possesses any Confidential Information and Trade Secrets or equipment belonging to the Company, Grantee agrees to deliver to the Company, immediately upon termination of employment and at any time and from time to time as the Company requests: (i) any and all documents, files, notes, memoranda, databases, computer files, and/or other computer programs reflecting any Confidential

Information and Trade Secrets; and (ii) any and all computer equipment, home office equipment, automobile, or other business equipment belonging to the Company that Grantee may then possess or have under his or her control. For any equipment or devices owned by Grantee on which proprietary information of the Company is stored or accessible, Grantee shall, immediately upon or prior to termination of employment, deliver such equipment or devices to the Company so that any proprietary information may be deleted or removed. Grantee expressly authorizes the Company's designated representatives to access such equipment or devices for this limited purpose and shall provide any passwords and/or passcodes necessary to accomplish this task. Grantee acknowledges that all Confidential Information and Trade Secrets is essential to the Company's present and future business and activities, and is therefore deemed trade secrets and is considered proprietary to, and treated as confidential by, the Company. This obligation of confidentiality is intended to supplement, and is not intended to supersede or limit, the obligations of confidentiality Grantee has to the Company by agreement, law or otherwise.

(f) Remedies. Grantee understands, acknowledges, agrees and hereby stipulates that any and all actual, threatened or attempted violations of any and all covenants in this Agreement (including, without limitation, covenants in this Section 5), challenges of or to the enforceability of any such covenants and/or findings of unenforceability of any such covenants against the Grantee to any extent by the final non-appealable resolution of any litigation or other legal proceeding stemming from a threatened or attempted violation of any such covenants by Grantee, may cause the Company irreparable harm, which may not be compensated for by monetary damages alone.

(g) Tolling. Grantee further agrees that, while the duration of the covenants contained in this Section 5 will be determined generally in accordance with the terms of each respective covenant, if Grantee violates or threatens to violate any of those covenants, or it is necessary for the Company to seek to enforce any of those covenants, Grantee agrees to an extension of the duration of such covenant on the same terms and conditions for an additional period of time equal to the time that elapses from the commencement of such violation or threat of violation to the later: of (i) the termination of such violation or threat of violation; or (ii) the final non-appealable resolution of any litigation or other legal proceeding stemming from such violation or threatened or attempted violation.

(h) No Waiver. In addition to (and without limitation of) the other terms and conditions of this Agreement, the failure of the Company to insist upon strict performance of any provision of any agreement between the Company, on the one hand, and another grantee, employee, person or entity, on the other hand, shall not be construed as a waiver of the Company's right to insist upon strict performance of each and every representation, warranty, covenant, duty and obligation of Grantee hereunder. In addition to (and without limitation of) the foregoing, the election of certain remedies by the Company with respect to the breach or default by another grantee, employee, person or entity of any agreement between the Company, on the one hand, and such other grantee, employee, person or entity, on the other hand, shall not be deemed to prejudice any rights or remedies that the Company may have at law, in equity, under contract (including without limitation this Agreement) or otherwise with respect to a similar or different breach or default hereunder by Grantee (all of which are hereby expressly reserved).

(i) Recoupment. Notwithstanding anything in this Agreement or the Plan to the contrary, Grantee's rights, payments and benefits with respect to the Units (whether vested or unvested) shall be subject to deduction, reduction, cancellation, recovery, recoupment, forfeiture and/or "clawback" as may be required to be made pursuant to the provisions of any applicable law, government regulation or stock exchange listing requirement as well as any policies of the Company that may be in effect from time to time pursuant to any law, government regulation or stock exchange listing requirement. In addition, notwithstanding anything in this Agreement or the Plan to the contrary, Grantee's rights, payments and benefits with respect to the Units (whether vested or unvested) shall be subject to deduction, reduction, cancellation, recovery, recoupment, forfeiture and/or "clawback" if: (i) Grantee ceases or has ceased to be employed by the Company or its direct or indirect subsidiaries, if any, by reason of Grantee's serious misconduct during the course of employment,

including, without limitation, wrongful appropriation of the Company's funds or theft of Company property; (ii) Grantee violates or has violated any of the covenants set forth in Section 5 of this Agreement as determined by the Company; or (iii) any of the covenants set forth in Section 5 of this Agreement are or were found to be unenforceable against the Grantee to any extent by the final non-appealable resolution of any litigation or other legal proceeding stemming from an actual, threatened, or attempted violation of any such covenants by Grantee.

6. Dispute Resolution; Arbitration

(a) Grantee and the Company mutually agree that any claim, controversy and/or dispute between them, arising out of, relating to, or in connection with: (i) Grantee's application for employment, employment and/or termination of employment (collectively "Employment-Related Disputes"); and/or (ii) this Agreement (including, without limitation, an actual, threatened or attempted violation of any of the covenants set forth in Section 5 of this Agreement) ("Units Disputes") ((i) or (ii) each, a "Claim" and (i) and (ii) collectively, "Claims"), whenever and wherever brought shall be resolved by binding arbitration administered by the American Arbitration Association ("AAA"). Grantee agrees that this agreement to arbitrate is governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq., evidences a transaction involving commerce, and is fully enforceable. For purposes of this Section 6, the Company shall be defined to include EchoStar Corporation, its predecessors, direct and indirect subsidiaries and affiliates (except DISH Network Corporation and its direct and indirect subsidiaries, which are not parties to this agreement to arbitrate), its and their officers, directors, shareholders, members, owners, employees, managers, agents, and attorneys, and all successors and assigns of each of the foregoing persons and entities.

(b) For Employment-Related Disputes:

i. a party who wishes to arbitrate a Claim must prepare a written demand for arbitration ("Request for Arbitration") that identifies the claims asserted, the factual basis for each claim and the relief and/or remedy sought. That party must file the Request for Arbitration (along with a copy of this Agreement and the applicable filing fee) with the AAA by: (A) delivering them by hand to any office of the AAA; (B) mailing them by certified U.S. mail, Federal Express or United Parcel Service to American Arbitration Association, Case Filing Services, 1101 Laurel Oak Road, Suite 100, Voorhees, NJ 08043; or (C) using the AAA WebFile feature at the AAA's website: http://www.adr.org. The Request for Arbitration must be submitted to the AAA before the expiration of the applicable statute of limitations and the parties agree that the date the Request for Arbitration is received by AAA shall constitute submission for all statute of limitation purposes. Unless otherwise prohibited by law, the party initiating arbitration shall be responsible for paying an initial filing fee of $200 or an amount equal to the applicable filing fee had the claim been brought in a court of competent jurisdiction, whichever is less. The Company will pay the Employment Law Arbitrators' (as defined below) fees and any fee for administering the arbitration unless otherwise ordered by the Employment Law Arbitrators;

ii. the party initiating arbitration must deliver a copy of the Request for Arbitration to the other party by hand or certified U.S. mail at the following location: (A) to the Company - to the legal department of the Company at 100 Inverness Terrace East, Englewood, Colorado, 80112, Attn: General Counsel; or (B) to Grantee - to the last home address that Grantee provided to the Company;

iii. three arbitrators from the AAA with expertise in employment disputes ("Employment Law Arbitrators") shall be selected, and shall conduct the arbitration, pursuant to the then-current AAA's Employment Arbitration Rules and Procedures

("AAA Employment Rules"), without incorporation of AAA's Supplementary Rules for Class Arbitration, which the parties hereby expressly disclaim. The AAA Employment Rules may be found at http://www.adr.org/, by searching for "AAA Employment Arbitration Rules" using an internet search engine such as www.google.com, or by requesting a copy from the human resources department of the Company. Within fourteen (14) days after the receipt of the Request for Arbitration, each party shall select one arbitrator from the AAA with expertise in employment law to act as arbitrator and such arbitrators shall select the third arbitrator within 10 days of their appointment. The party-selected arbitrators will serve in a non-neutral capacity. In the event that the arbitrators selected by the parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be selected by the AAA. The arbitration shall be governed by and construed in accordance with the substantive law of the State of Colorado, without giving effect to choice of law principles. The Employment Law Arbitrators shall only have the right to render decisions that are consistent with the substantive law of the State of Colorado, and any decision rendered by the Employment Law Arbitrators shall be subject to review by any court of competent jurisdiction. Regardless of what the AAA Employment Rules state, the arbitration proceedings shall be held in the City and County of Denver, Colorado;

iv. the parties shall have the right to conduct discovery relevant and material to the outcome of the arbitration and to present witnesses and evidence as needed to present their claims and defenses, and the Employment Law Arbitrators shall resolve any discovery or evidentiary dispute. Each party shall have the right to subpoena relevant witnesses and documents, including, without limitation, documents from third parties. At least thirty days before the final hearing, the parties must exchange a list of witnesses and copies of all exhibits to be used at the arbitration hearing. The Employment Law Arbitrators may award any remedy available under applicable law, but remedies shall be limited to those that would be available to a party in his/her/its individual capacity for all Claims presented to the Employment Law Arbitrators. The Employment Law Arbitrators' decision shall be final and binding, and judgment upon the Employment Law Arbitrators' decision and/or award may be entered in any court of competent jurisdiction; provided that, the parties agree to take all reasonable steps to ensure that all pleadings, filings and papers are filed and/or entered with the court under seal and/or in a manner that would maintain their confidentiality, including, without limitation, complying with all rules of procedure and local rules for filing documents, pleadings, and papers under seal;

v. the Employment Law Arbitrators shall have the authority to hear and decide dispositive motions under the legal standards set forth in Rules 12 and 56 of the Colorado Rules of Civil Procedure, regardless of whether a Claim arises under federal or state law. The Employment Law Arbitrators shall resolve all disputes regarding the timeliness or propriety of the Request for Arbitration and apply the statute of limitations that would have applied if a Claim had been brought in a court of competent jurisdiction. The Employment Law Arbitrators shall dismiss, without limitation, any Claim that, in the absence of this Agreement, could not be brought under applicable law;

vi. the Employment Law Arbitrators shall have the exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability, or formation of this Agreement, except with respect to the "Class Action Waiver" and "Representative Action Waiver" described below. Regardless of what this

Agreement and/or the AAA Employment Rules state, any dispute as to the interpretation, applicability, enforceability or formation of the Class Action Waiver and the Representative Action Waiver may only be determined by a court of competent jurisdiction and not by the Employment Law Arbitrators; and

vii. all arbitration proceedings, including, but not limited to, claims, allegations, decisions, findings, pleadings, hearings, testimony, discovery, settlements, opinions and awards shall be confidential, except: (A) to the extent the parties otherwise agree in writing; (B) as may be otherwise appropriate in response to a request from a government agency, subpoena, or legal process; (C) as is necessary to enforce, correct, modify or vacate the Employment Law Arbitrators' award or decision; or (D) if applicable law provides to the contrary. In the event that either party initiates a court proceeding to enforce, correct, modify, or vacate the Employment Law Arbitrators' award or decision, or any other proceeding that would require disclosing the Employment Law Arbitrators' award, decision or findings, the parties agree to take all reasonable steps consistent with applicable law to ensure that all pleadings, filings and papers are filed and/or entered with the court under seal and/or in a manner that would maintain their confidentiality, including, without limitation, complying with all rules of procedure and local rules for filing documents, pleadings, and papers under seal.

(c) For Units Disputes:

i. a party who wishes to arbitrate a Claim must prepare a Request for Arbitration that identifies the claims asserted, the factual basis for each claim and the relief and/or remedy sought. That party must file the Request for Arbitration (along with a copy of this Agreement and the applicable filing fee) with the AAA by: (A) delivering them by hand to any office of the AAA; (B) mailing them by certified U.S. mail, Federal Express or United Parcel Service to American Arbitration Association, Case Filing Services, 1101 Laurel Oak Road, Suite 100, Voorhees, NJ 08043; or (C) using the AAA WebFile feature at the AAA's website: http://www.adr.org. The Request for Arbitration must be submitted to the AAA before the expiration of the applicable statute of limitations and the parties agree that the date the Request for Arbitration is received by AAA shall constitute submission for all statute of limitation purposes. Unless otherwise prohibited by law, the party initiating arbitration shall be responsible for paying an initial filing fee of $200 or an amount equal to the applicable filing fee had the claim been brought in a court of competent jurisdiction, whichever is less. The Company will pay the Commercial Law Arbitrators' (as defined below) fees and any fee for administering the arbitration unless otherwise ordered by the Commercial Law Arbitrators;

ii. the party initiating arbitration must deliver a copy of the Request for Arbitration to the other party by hand or certified U.S. mail at the following location: (A) to the Company - to the legal department of the Company at 100 Inverness Terrace East, Englewood, Colorado, 80112, Attn: General Counsel; or (B) to Grantee - to the last home address that Grantee provided to the Company;

iii. three arbitrators from the AAA with expertise in commercial law ("Commercial Law Arbitrators") shall be selected, and shall conduct the arbitration, pursuant to the then-current AAA Commercial Dispute Resolution Procedures (the "AAA Commercial Rules"), without incorporation of the AAA Employment Rules and the AAA's Supplementary Rules for Class Arbitration, both of which the parties hereby

expressly disclaim. The AAA Commercial Rules may be found at http://www.adr.org/, by searching for "AAA Commercial Dispute Resolution Procedures" using an internet search engine such as www.google.com, or by requesting a copy from the human resources department of the Company. Within fourteen (14) days after the receipt of the Request for Arbitration, each party shall select one arbitrator from the AAA with expertise in commercial law to act as arbitrator and such arbitrators shall select the third arbitrator within 10 days of their appointment. The party-selected arbitrators will serve in a non-neutral capacity. In the event that the arbitrators selected by the parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be selected by the AAA. The arbitration shall be governed by and construed in accordance with the substantive law of the State of Colorado, without giving effect to choice of law principles. The Commercial Law Arbitrators shall only have the right to render decisions that are consistent with the substantive law of the State of Colorado, and any decision rendered by the Employment Law Arbitrators shall be subject to review by any court of competent jurisdiction. Regardless of what the AAA Commercial Rules state, the arbitration proceedings shall be held in the City and County of Denver, Colorado;

iv. the parties shall have the right to conduct discovery relevant and material to the outcome of the arbitration and to present witnesses and evidence as needed to present their claims and defenses, and the Commercial Law Arbitrators shall resolve any discovery or evidentiary dispute. Each party shall have the right to subpoena relevant witnesses and documents, including, without limitation, documents from third parties. At least thirty days before the final hearing, the parties must exchange a list of witnesses and copies of all exhibits to be used at the arbitration hearing. The Commercial Law Arbitrators may award any remedy available under applicable law, but remedies shall be limited to those that would be available to a party in his/her/its individual capacity for all Claims presented to the Commercial Law Arbitrators. The Commercial Law Arbitrators' decision shall be final and binding, and judgment upon the Commercial Law Arbitrators' decision and/or award may be entered in any court of competent jurisdiction; provided that, the parties agree to take all reasonable steps to ensure that all pleadings, filings and papers are filed and/or entered with the court under seal and/or in a manner that would maintain their confidentiality, including, without limitation, complying with all rules of procedure and local rules for filing documents, pleadings, and papers under seal;

v. the Commercial Law Arbitrators shall have the authority to hear and decide dispositive motions under the legal standards set forth in Rules 12 and 56 of the Colorado Rules of Civil Procedure, regardless of whether a Claim arises under federal or state law. The Commercial Law Arbitrators shall resolve all disputes regarding the timeliness or propriety of the Request for Arbitration and apply the statute of limitations that would have applied if a Claim had been brought in a court of competent jurisdiction. The Commercial Law Arbitrators shall dismiss, without limitation, any Claim that, in the absence of this Agreement, could not be brought under applicable law;

vi. the Commercial Law Arbitrators shall have the exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability, or formation of this Agreement, except with respect to the "Class Action Waiver" and "Representative Action Waiver" described below. Regardless of what this Agreement and/or the AAA Commercial Rules state, any dispute as to the interpretation, applicability, enforceability or formation of the Class Action Waiver

and the Representative Action Waiver may only be determined by a court of competent jurisdiction and not by the Commercial Law Arbitrators; and

vii. all arbitration proceedings, including, but not limited to, claims, allegations, decisions, findings, pleadings, hearings, testimony, discovery, settlements, opinions and awards shall be confidential, except: (A) to the extent the parties otherwise agree in writing; (B) as may be otherwise appropriate in response to a request from a government agency, subpoena, or legal process; (C) as is necessary to enforce, correct, modify or vacate the Commercial Law Arbitrators' award or decision; or (D) if applicable law provides to the contrary. In the event that either party initiates a court proceeding to enforce, correct, modify, or vacate the Commercial Law Arbitrators' award or decision, or any other proceeding that would require disclosing the Commercial Law Arbitrators' award, decision or findings, the parties agree to take all reasonable steps consistent with applicable law to ensure that all pleadings, filings and papers are filed and/or entered with the court under seal and/or in a manner that would maintain their confidentiality, including, without limitation, complying with all rules of procedure and local rules for filing documents, pleadings, and papers under seal.

(d) Notwithstanding the foregoing, this agreement to arbitrate all Employment-Related Disputes and/or Units Disputes shall not apply to Grantee claims for statutory unemployment compensation benefits, statutory worker's compensation benefits, state disability insurance benefits (not including retaliation claims based upon seeking such benefits), charges filed with the National Labor Relations Board alleging violations of the National Labor Relations Act, and claims for benefits from a Company-sponsored "employee benefit plan," as that term is defined in 29 U.S.C. §1002(3).

(e) To the maximum extent allowed by applicable law, (i) Grantee and the Company agree to bring any Claim in arbitration on an individual basis only, and not as a class or collective action, (ii) Grantee and the Company waive any right for a Claim to be brought, heard, or decided as a class or collective action, and (iii) the applicable arbitrator under this Section 6 shall have no power, jurisdiction or authority to preside over a class or collective action ("Class Action Waiver"). This Class Action Waiver, however, does not prevent Grantee from joining, opting into or participating in a pending class or collective action to which Grantee is a current or purported class member as of the Grant Date. To the maximum extent allowed by applicable law, Grantee and the Company waive any right for a Claim to be brought, heard or decided as a Private Attorney General Representative Action on behalf of other grantees ("Representative Action"), and the applicable arbitrator under this Section 6 shall have no power or authority to preside over a Representative Action ("Representative Action Waiver"). The Representative Action Waiver, however, does not apply to a Claim that Grantee brings in arbitration as a private attorney general solely on his/her own behalf.

(f) In addition, each of Grantee and the Company shall have the right to seek temporary restraining orders, preliminary and/or permanent injunctions or other like emergency relief from a court where such relief is required to permit the dispute to proceed to arbitration without such party incurring irreparable harm that may not be remedied monetarily, for example, to prevent violation of: (i) non-competition agreements or obligations; (ii) non-solicitation agreements or obligations; (iii) intellectual property rights, including, but not limited to, copyrights, patent rights, trade secrets and/or proprietary business know-how; or (iv) confidential information obligations; provided that, once a court of competent jurisdiction orders or denies temporary or preliminary relief, the Claims shall then be resolved by arbitration pursuant to this Agreement. The parties mutually agree that the state and federal courts located in the City and County of Denver, Colorado shall have exclusive subject matter and personal jurisdiction to hear and decide any such action, and that any such court action shall be governed by the substantive law of the State of Colorado, without giving effect to choice of law principles. Grantee irrevocably waives, to the fullest

extent permitted by law, any and all objections which he or she may now or hereafter have to the venue of any such proceeding brought in any such court, including, without limitation, any claim that such proceeding has been brought in an inconvenient forum.

(g) Further, nothing in this Section 6 prohibits Grantee from making a report or filing an administrative charge with a federal, state or local administrative agency such as the National Labor Relations Board, the Equal Employment Opportunity Commission, the Securities and Exchange Commission or the Department of Labor. This Section 6 also does not prevent federal administrative agencies from adjudicating claims and awarding remedies based on those claims, even if the claims would otherwise be covered by this Section 6. Nothing in this Section 6 prevents or excuses a party from satisfying any conditions precedent and/or exhausting administrative remedies under applicable law before bringing a Claim in arbitration.

(h) Unless the applicable arbitrators rule otherwise (under the same standards that would apply in a court of competent jurisdiction), each party to any arbitration or court proceeding contemplated by this Section 6 shall be responsible for its own attorneys' fees and costs; provided, however, that unless otherwise required by applicable law or this Agreement, the prevailing party in any arbitration or court proceeding contemplated by this Section 6 shall be entitled to reimbursement of its, his or her reasonable attorneys’ fees, costs, and expenses. Nothing in this Agreement shall require Grantee to reimburse the Company for its reasonable attorneys' fees, costs, and expenses, incurred when the Company prevails in defense of any statutory claim of unlawful discrimination, unless said claim brought by Grantee is frivolous, unreasonable or without foundation, or Grantee continues to prosecute a claim after the claim became frivolous, unreasonable or without foundation. In the event either party hereto files a judicial or administrative action asserting claims subject to this arbitration provision, and the other party successfully stays such action and/or compels arbitration of the claims made in such an action, the party filing the administrative or judicial action shall pay the other party’s reasonable attorneys’ fees, costs, and expenses incurred in obtaining a stay and/or compelling arbitration.

(i) This Section 6 supersedes and renders void any prior agreement(s) to arbitrate between Grantee and the Company with respect to any and all Claims under this Agreement and any other agreement(s) between the Company and/or any of its direct and indirect subsidiaries, on the one hand, and Grantee, on the other hand. For the avoidance of doubt and notwithstanding the foregoing, this Section 6 does not supersede or render void any prior agreement(s) to arbitrate between the Company and/or any of its direct and indirect subsidiaries, on the one hand, and Grantee, on the other hand with respect to any and all stock options, restricted stock units or other equity awards other than the Units Disputes for the specific Units granted under this Agreement. In the event of any conflict or inconsistency between any AAA rules and/or procedures and the terms and conditions of this Agreement, the terms and conditions of this Agreement shall control.

(j) Other than potential rights to a trial, a jury trial, and common law claims for punitive and/or exemplary damages, nothing in this agreement to arbitrate limits any statutory remedy to which Grantee or the Company may be entitled under law. The parties acknowledge that this agreement to arbitrate shall not alter the at-will nature of their employment relationship MEANING THAT GRANTEE MAY TERMINATE GRANTEE’S EMPLOYMENT WITH THE COMPANY AND/OR ANY OF ITS DIRECT AND INDIRECT SUBSIDIARIES AT ANY TIME WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE, AND THE COMPANY AND/OR ANY OF ITS DIRECT AND INDIRECT SUBSIDIARIES RESERVE THE SAME RIGHTS TO TERMINATE GRANTEE’S EMPLOYMENT AND/OR DEMOTE GRANTEE.

(k) GRANTEE AND THE COMPANY MUTUALLY AND VOLUNTARILY AGREE TO ARBITRATE ALL CLAIMS COVERED BY THIS AGREEMENT AS SET FORTH IN THIS SECTION 6. THE RIGHTS TO A TRIAL BY JURY, TO COMMON LAW CLAIMS FOR PUNITIVE AND/OR

EXEMPLARY DAMAGES, AND TO ENGAGE AND/OR PARTICIPATE IN A CLASS, COLLECTIVE OR REPRESENTATIVE ACTION ARE OF VALUE AND EXPRESSLY WAIVED PURSUANT TO THIS SECTION 6. NOTHING IN THIS SECTION 6 INFRINGES ON GRANTEE'S RIGHT TO FILE A CHARGE WITH ANY GOVERNMENT AGENCY, AND GRANTEE'S RIGHT TO SEEK ANY REMEDY AND/OR PERSONAL RECOVERY IS ONLY RESTRICTED AS SPECIFICALLY SET FORTH IN THIS SECTION 6.

7. Miscellaneous

(a) Units Subject to the Plan. The Units are issued pursuant to the Plan and are subject to its terms and conditions. The terms and conditions of the Plan are available for inspection during normal business hours at the principal offices of the Company. The Committee has final authority to decide, interpret, determine and calculate any and all aspects of the Plan in its sole and absolute discretion for any reason or no reason at any time and from time to time.

(b) No Right to Continued Employment; No Rights as Shareholder. This Agreement shall not confer upon Grantee any right with respect to continuance of employment with the Company or any of its direct or indirect subsidiaries, nor shall it interfere in any way with the right of the Company and its direct and indirect subsidiaries to terminate such employment or to demote or remove Grantee for any reason or no reason at any time and from time to time. The holder of the Units will not have any right to dividends or any other rights of a shareholder with respect to Common Shares issuable in exchange for and upon vesting of the Units unless and until such Common Shares shall have been issued to Grantee upon vesting of the Units in accordance with this Agreement and the Plan (as evidenced by the records of the transfer agent of the Company).

(c) Changes in Capital Structure. If there shall be any change in the Common Shares of the Company through merger, consolidation, reorganization, recapitalization, dividend in the form of stock (of whatever amount), stock split or other change in the corporate structure of the Company, then appropriate adjustments may be made by the Company, as determined in the sole and absolute discretion of the Committee for any reason or no reason at any time and from time to time, to all or any portion of the Units that have not yet vested or been exchanged for Common Shares or have not been terminated or expired, in order to prevent dilution or enlargement of Grantee's rights under the Units. Such adjustments may include, where appropriate, changes in the number of shares of Common Shares subject to the outstanding Units. Notwithstanding the foregoing, no action that would modify the treatment of the Units under the Code shall be effective unless agreed to in writing by both parties.

(d) Assigns and Successors. This Agreement shall inure to the benefit of the Company's assigns and successors and its and their direct and indirect subsidiaries.

(e) Compliance with Law; Legal Requirements. The Company shall at all times during the term of the Units reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Agreement. The vesting of the Units and the issuance of any Common Shares in exchange for the Units shall only be effective at such time that the issuance and sale of Common Shares pursuant to such vesting will not violate any federal or state securities or other laws. The Company may suspend Grantee's or any holder's of the Units right to vesting of the Units and the issuance of any Common Shares in exchange for the Units and shall not issue or deliver the Common Shares in exchange for the Units unless it is satisfied in its judgment that the issuance and sale of Common Shares will not violate any of the provisions of the Securities Act of 1933, as amended (the "Securities Act"), the Securities Exchange Act of 1934, as amended (the "Exchange Act"), any rules or regulations of the SEC promulgated thereunder, or the requirements of applicable state law relating to authorization, issuance or sale of securities, other applicable laws, rules and regulations or any applicable stock exchange, or any other applicable laws, rules or regulations, or until there has been compliance with the provisions of such acts, laws and rules. If the Company in its

sole and absolute discretion so elects, it may register the Common Shares issuable upon the vesting of the Units under the Securities Act and list the Common Shares on any securities exchange. In the absence thereof, Grantee understands that neither the Units nor the Common Shares issuable upon the vesting thereof will be registered under the Securities Act, or tradeable on any securities exchange, and Grantee represents that the Units are being acquired, and that such Common Shares that will be acquired pursuant to the Units, if any, will be acquired, by Grantee for investment and not with a view to distribution thereof. In the absence of an effective registration statement meeting the requirements of the Securities Act, upon any sale or transfer of the Common Shares issued pursuant to the Units, Grantee shall deliver to the Company an opinion of counsel satisfactory to the Company to the effect that the sale or transfer of the Common Shares does not violate any provision of the Securities Act or the Exchange Act. Grantee understands that the Company is under no obligation to register or qualify the Common Shares with the SEC, any state securities commission or any stock exchange to effect such compliance and that Grantee will have no recourse to or claim against the Company if the Company determines pursuant to this Section 7 that it is unable to deliver the Common Shares upon vesting of the Units. Regardless of whether the offering and sale of the Common Shares have been registered under the Securities Act, or have been registered or qualified under the securities laws of any state, the Company in its sole and absolute discretion for any reason or no reason at any time and from time to time may impose restrictions upon the sale, pledge or other transfer of such Common Shares (including the placement of appropriate legends on certificates or the imposition of stop-transfer instructions on the certificates or book entries, as applicable) if, in the judgment of the Company, such restrictions are necessary or desirable in order to achieve compliance with the Securities Act, the Exchange Act, the securities laws of any state or other jurisdiction or any other applicable laws, rules and regulations or any applicable stock exchange rules or regulations.

(f) Confidential Treatment of Units. Grantee agrees to treat with confidentiality the existence, terms and conditions of this Agreement and the Units except to the extent specifically disclosed by the Company pursuant to applicable law, and agrees that failure to do so may result in immediate termination of the Units.

(g) Obligations Unaffected. Except as expressly set forth to the contrary in Section 6 of this Agreement, the obligations of Grantee under this Agreement shall be independent of, and unaffected by, and shall not affect, other agreements, if any, binding Grantee which apply to Grantee's business activities during and/or subsequent to Grantee's employment by the Company or any of its direct or indirect subsidiaries or affiliates.

(h) Survival. Any provision of this Agreement which logically would be expected to survive termination or expiration, shall survive for a reasonable time period under the circumstances, whether or not specifically provided in this Agreement. Except as set forth to the contrary in this Agreement (including, without limitation, Section 6 of this Agreement), the obligations under this Agreement also shall survive any changes made in the future to the employment terms and conditions of Grantee, including without limitation changes in salary, benefits, bonus plans, job or position title and job responsibilities.

(i) Complete Agreement; No Waiver. This Agreement constitutes the entire, final and complete understanding between the parties hereto with respect to the subject matter of this Agreement, and, except as specifically set forth in this Agreement, supersedes and replaces all previous understandings or agreements, written, oral, or implied, with respect to the subject matter of this Agreement made or existing before the date of this Agreement. Except as expressly provided by this Agreement, no waiver or modification of any of the terms or conditions of this Agreement shall be effective unless in writing and signed by both parties. The failure of any party to insist upon strict performance of any provision of this Agreement shall not be construed as a waiver of any subsequent breach of the same or similar nature.

(j) Severability. Each provision of this Agreement shall be construed as separable and divisible from every other provision and the enforceability of any one provision shall not limit the enforceability, in

whole or in part, of any other provision. Except as otherwise set forth in this Agreement, in the event that a court, arbitrator or other body of competent jurisdiction holds any provision of this Agreement to be invalid, illegal, void or less than fully enforceable as to time, scope or otherwise, the parties agree that such provision shall be construed by limiting and reducing it to the minimum extent necessary to render such provision valid, legal and enforceable while preserving to the greatest extent permissible the original intent of the parties; the remaining terms and conditions of this Agreement shall not be affected by such alteration, and shall remain in full force and effect. Notwithstanding the foregoing, in the event that any one or more of the covenants set forth in Section 5 of this Agreement are found to be unenforceable against the Grantee to any extent by the final non-appealable resolution of any litigation or other legal proceeding stemming from an actual, threatened, or attempted violation of such covenants by Grantee, then all of the Units (both vested and unvested) shall be deemed to have terminated and no Common Shares shall be issuable in connection therewith as of the date of such finding.

(k) Summary Information. In the event that the Company provides Grantee (or anyone acting on behalf of Grantee) with summary or other information concerning, including, or otherwise relating to Grantee's rights or benefits under this Agreement (including without limitation the Units, and any vesting thereof), such summary or other information shall in all cases be qualified in its entirety by this Agreement and the Plan, and, unless it explicitly states otherwise and is signed by an officer of the Company, shall not constitute an amendment or other modification hereto.

(l) Grantee Acknowledgements.

(i) Grantee understands, acknowledges, agrees and hereby stipulates that he or she is executing this Agreement voluntarily and without any duress or undue influence by the Company or anyone else.

(ii) Grantee understands, acknowledges, agrees and hereby stipulates that he or she has carefully read, considered and understands all of the provisions of this Agreement, the Plan and the Company's policies reflected in this Agreement.

(iii) Grantee understands, acknowledges, agrees and hereby stipulates that he or she has asked any questions needed for him or her to understand the terms, consequences and binding effect of this Agreement and the Plan and Grantee fully understands them, including, without limitation, that he or she is waiving the right to a trial, a trial by jury, and common law claims for punitive and/or exemplary damages.

(iv) Grantee understands, acknowledges, agrees and hereby stipulates that he or she was provided an opportunity to seek the advice of an attorney and/or tax professional of his or her choice before accepting this Agreement.

(v) Grantee understands, acknowledges, agrees and hereby stipulates that the obligations and restrictions set forth in this Agreement are consistent with Grantee's right to sell his or her labor, the public's interest in unimpeded trade, are fair and reasonable, and are no broader than are reasonably required to protect the Company's interests.

(vi) Grantee understands, acknowledges, agrees and hereby stipulates that it is the Company's policy to seek legal recourse to the fullest extent possible for actual, threatened or attempted violation of, or challenges to the enforceability of, this Agreement. Grantee understands that nothing in this Agreement shall be construed to prohibit the Company from pursuing any other available remedies for such actual, threatened or attempted violation or challenges to enforceability, including, without

limitation, the recovery of damages from Grantee. Grantee further agrees that, if he or she violates, threatens or attempts to violate or challenges the enforceability of this Agreement it would be difficult to determine the damages and lost profits which the Company would suffer as a result thereof including, but not limited to, losses attributable to lost or misappropriated Confidential Information and Trade Secrets and losses stemming from violations of the non-disclosure, non-compete and/or non-solicitation obligations set forth above. Accordingly, Grantee agrees that if he or she violates, threatens or attempts to violate or challenges the enforceability of this Agreement, then the Company shall be entitled to an order for injunctive relief and/or for specific performance, or their equivalent, in addition to money damages and any other remedies otherwise available to it at law or equity. Such injunctive relief includes but is not limited to requirements that Grantee take action or refrain from taking action to avoid competing with the Company, to avoid soliciting the Company's employees or customers, to preserve the secrecy of Confidential Information and Trade Secrets, to not use Confidential Information and Trade Secrets, to avoid conflicts of interest and to protect the Company from irreparable harm. Grantee expressly agrees that the Company does not need to post a bond to obtain an injunction and Grantee waives the right to require such a bond.

(m) Notice. All notices to the Company shall be addressed to: EchoStar Corporation, 100 Inverness Terrace East, Englewood, Colorado, 80112, Attn: Corporate Secretary, or to such other address or person as the Company may notify Grantee from time to time. All notices to Grantee or other person or persons then entitled to the Units and/or the Common Shares relating to the Units shall be addressed to Grantee or such other person(s) at Grantee's address on file with the Company, or to such other address as Grantee or such person(s) may notify the Company or its administrator for the Units in writing from time to time.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

Upon Grantee's acceptance of the terms and conditions set forth in this Agreement through the electronic grant process available through the Administrator, this Agreement shall become effective between the parties as of the Grant Date.

ECHOSTAR CORPORATION

GRANTEE – [Participant Name] Accepted on [Acceptance Date]

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Section 302 Certification

I, Michael T. Dugan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EchoStar Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2017

By: /s/ *Michael T. Dugan*
Name: Michael T. Dugan
Title: Chief Executive Officer, President and Director
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Section 302 Certification

I, David J. Rayner, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of EchoStar Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2017

By: */s/ David J. Rayner*
Name: David J. Rayner
Title: Executive Vice President, Chief Financial Officer, Chief Operating Officer and Treasurer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
Section 906 Certifications

In connection with the quarterly report for the quarter ended June 30, 2017 on Form 10-Q (the "Quarterly Report") of EchoStar Corporation (the "Company") as filed with the Securities and Exchange Commission on the date hereof, we, Michael T. Dugan and David J. Rayner, Chief Executive Officer and Chief Financial Officer, respectively, of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

(i) the Quarterly Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934; and

(ii) the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2017

By:	*/s/ Michael T. Dugan*
Name:	Michael T. Dugan
Title:	Chief Executive Officer, President and Director
	(Principal Executive Officer)

By:	*/s/ David J. Rayner*
Name:	David J. Rayner
Title:	Executive Vice President, Chief Financial Officer, Chief Operating Officer and Treasurer
	(Principal Financial and Accounting Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 HAS BEEN PROVIDED TO THE COMPANY AND WILL BE RETAINED BY THE COMPANY AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.