

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

**Iridium Communications Inc.**

CIK: **1418819** | IRS No.: **221344998** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
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SIC: **3669** Communications equipment, nec

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): March 13, 2013**

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**Iridium Communications Inc.**

**(Exact name of registrant as specified in its charter)**

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**Delaware**  
**(State or other jurisdiction  
of incorporation)**

**001-33963**  
**(Commission  
File Number)**

**26-1344998**  
**(IRS Employer  
Identification No.)**

**1750 Tysons Boulevard  
Suite 1400  
McLean, VA 22102**

**(703) 287-7400**

**(Registrant's telephone number, including area code)**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.*****(e) Iridium 2013 Executive Cash Performance Bonus Plan***

On March 13, 2013, the Performance Sub-Committee of the Compensation Committee of the Board of Directors (the “Sub-Committee”) of Iridium Communications Inc. (the “Company”) approved the terms of the Company’s 2013 Executive Cash Performance Bonus Plan (the “Iridium Bonus Plan”), operating under and as part of the Company’s 2012 Equity Incentive Plan.

Executives of the Company or an affiliate who are (i) employed during the 2013 calendar year (the “Performance Period”), (ii) at the level of Executive Vice President or above and subject to Section 16 of the Securities Exchange Act of 1934, and (iii) regular employees of the Company or an affiliate through the date the bonus is paid are eligible to participate in the Iridium Bonus Plan. Pursuant to the Iridium Bonus Plan, each participant is eligible to receive an incentive bonus (the “Bonus Award”) calculated in part by reference to a “Target Bonus Award” determined for such participant by the Compensation Committee of the Board of Directors or the Sub-Committee (which we refer to together as the “Committee”). The Target Bonus Award is calculated by multiplying the participant’s base salary earned during the Performance Period by a Committee-approved Target Bonus Percentage.

On March 13, 2013, the Committee established the Target Bonus Percentage (expressed as a percentage of earned base salary) under the Iridium Bonus Plan for each of the Company’s principal executive officer, principal financial officer and other named executive officers, other than Donald L. Thoma, as set forth in the table below.

<u>Officer</u>	<u>Title</u>	<u>Target Bonus Percentage</u>
Matthew J. Desch	Chief Executive Officer	90%
Thomas J. Fitzpatrick	Chief Financial Officer	75%
S. Scott Smith	Executive Vice President, Satellite Development and Operations	70%
John M. Roddy	Executive Vice President, Global Operations and Product Development, Iridium Satellite	60%

The actual bonus award will be calculated by multiplying the Target Bonus Award by a corporate performance factor determined by the Committee, which can range from 0% to 200% based on the achievement of the following corporate performance goals: (i) OEBITDA (as defined below); (ii) specified strategic goals set forth in the Iridium Bonus Plan; (iii) non-GAAP revenue (as defined below); and (iv) net subscriber additions for two of the Company’s product lines. The resulting amount may then be reduced but not increased by the Committee based on a personal performance factor ranging from 0% to 100%.

“OEBITDA” is defined as earnings before interest, income taxes, depreciation and amortization, Iridium NEXT revenue and expenses (for periods prior to the deployment of Iridium NEXT), stock-based compensation expenses, the impact of purchase accounting, and changes in the fair value of warrants. “Non-GAAP revenue” is GAAP total revenue adjusted to exclude the impact of purchase accounting.

Any amounts paid under the Iridium Bonus Plan are subject to recoupment from participants in accordance with any clawback policy that the Company is required to adopt pursuant to applicable laws.

The description of the Iridium Bonus Plan contained herein is a summary of the material terms of the Iridium Bonus Plan, does not purport to be complete, and is qualified in its entirety by reference to the Iridium Bonus Plan. A copy of the Iridium Bonus Plan is filed as Exhibit 10.1 and incorporated herein by reference.

***Aireon 2013 Cash Performance Bonus Plan***

Mr. Thoma, the chief executive officer of the Company’s Aireon LLC subsidiary and a named executive officer of the Company, is not a participant in the Iridium Bonus Plan for 2013. On March 13, 2013, the Committee approved the terms of the Aireon LLC 2013 Cash Performance Bonus Plan (the “Aireon Bonus Plan”), in which Mr. Thoma is a participant.

If Mr. Thoma is (i) employed by Aireon or an affiliate (including the Company) during the 2013 calendar year, (ii) not a participant in the Iridium Bonus Plan, and (iii) a regular employee of Aireon or an affiliate (including the Company) through the date

the bonus is paid, he is eligible to participate in the Aireon Bonus Plan. Mr. Thoma is eligible to receive an incentive bonus calculated in part by reference to a "Target Bonus Award" determined for Mr. Thoma by the Committee. The Target Bonus Award is calculated by multiplying Mr. Thoma's base salary earned during the 2013 calendar year by a Target Bonus Percentage of 60%, which was approved by the Committee on March 13, 2013.

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The actual bonus award will be calculated by multiplying the Target Bonus Award by an Aireon performance factor determined by the Committee, which can range from 0% to 200% based on the achievement of strategic, customer contract and budgetary goals for Aireon determined by the Committee. The resulting amount will then be multiplied by a personal performance factor determined by the Committee ranging from 0% to 150%.

The description of the Aireon Bonus Plan contained herein is a summary of the material terms of the Aireon Bonus Plan, does not purport to be complete, and is qualified in its entirety by reference to the Aireon Bonus Plan. A copy of the Aireon Bonus Plan is filed as Exhibit 10.2 and incorporated herein by reference.

***Discretionary Aireon Bonus***

On March 13, 2013, the Committee, on the recommendation of the compensation committee of Aireon, awarded Mr. Thoma a discretionary bonus in the amount of \$188,100 in recognition of the substantial progress made in the Aireon business during 2012, including the closing of the investment agreement with NAV CANADA. This bonus for Mr. Thoma was paid by the Company but will be reimbursed to the Company by Aireon under the terms of the parties' intercompany administrative services agreement, pursuant to which the Company provides management and other services to Aireon.

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**Item 9.01. Financial Statements and Exhibits.****(d) Exhibits**

<b><u>Exhibit</u></b> <b><u>Number</u></b>	<b><u>Exhibit Description</u></b>
10.1	Iridium Communications Inc. 2013 Executive Cash Performance Bonus Plan
10.2	Aireon LLC 2013 Cash Performance Bonus Plan

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SIGNATURE

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 hereunto duly authorized.

IRIDIUM COMMUNICATIONS INC.

Date: March 18, 2013

By: /s/ Thomas D. Hickey

Name: Thomas D. Hickey

Title: Chief Legal Officer

**IRIDIUM COMMUNICATIONS INC.**  
**2013 EXECUTIVE CASH PERFORMANCE BONUS PLAN**

**1. Purpose.** As part of its executive compensation program, Iridium Communications Inc. (the “*Company*”) has designed this 2013 Executive Cash Performance Bonus Plan (the “*Bonus Plan*”) for the 2013 calendar year. The Bonus Plan operates under, and is part of, the 2012 Iridium Communications Inc. Equity Incentive Plan (the “*2012 Plan*”), which has been approved by the Board and the Company’s stockholders. The Bonus Plan provides Participants with cash incentive awards based on the achievement of objectively determinable performance goals. The Bonus Plan is intended to permit the payment of bonuses that may qualify as Performance-Based Compensation.

**2. Definitions.** Defined terms not explicitly defined in the Bonus Plan but defined in the 2012 Plan shall have the same definitions as in the 2012 Plan.

(a) “*Base Salary*” means the base salary earned by the Participant during the Performance Period. Such Base Salary shall be before both (i) deductions for taxes or benefits, and (ii) deferrals of compensation pursuant to Company-sponsored plans.

(b) “*Bonus Award*” means, with respect to each Participant, the award determined pursuant to Section 5(g) below, which is subject to the Committee’s authority under Section 5(g) to eliminate or reduce the Bonus Award otherwise payable based on the Personal Performance Factor.

(c) “*Bonus Pool*” means, with respect to a Performance Period, the bonus pool established under the Bonus Plan for the payment of Bonus Awards to Participants.

(d) “*Committee*” means the Compensation Committee of the Board (or a subcommittee thereof), or such other committee of the Board (including, without limitation, the full Board) to which the Board has delegated power to act under or pursuant to the provisions of the 2012 Plan; *provided, however*, that with respect to payments under the Bonus Plan intended to qualify as Performance-Based Compensation, the Committee shall consist, to the extent required by Section 162(m), solely of two or more members of the Board who qualify as “outside directors” within the meaning of Section 162(m).

(e) “*Corporate Bonus Pool Factor*” means, with respect to a Performance Period, the percentage determined by the Committee based on the Company’s achievement of the Performance Goals during the Performance Period.

(f) “*Maximum Bonus Award*” means, as to any Participant for the Performance Period, the maximum award that may be granted to the Participant under the Bonus Plan. In no event may the Maximum Bonus Award paid in respect of a calendar year exceed \$2 million.

(g) “*Participant*” means an eligible officer selected by the Committee, in its sole discretion, to participate in the Bonus Plan.



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(h) “**Payout Determination Date**” means the date upon which the Committee determines the amounts payable pursuant to the Target Bonus Award with respect to the completed Performance Period, in accordance with Section 5(g).

(i) “**Performance-Based Compensation**” means compensation that is intended to qualify as “performance-based compensation” within the meaning of Section 162(m).

(j) “**Performance Goals**” means the goal(s) (or combined goal(s)) determined by the Committee, in its sole discretion, to be applicable to a Participant with respect to a Bonus Award as set forth in Section 13(mm) of the 2012 Plan. The criteria set forth in Section 13(mm) of the 2012 Plan may relate to the Company, one or more of its Affiliates or one or more of its or their divisions or units, or any combination of the foregoing, and may be applied on an absolute basis and/or be relative to one or more peer group companies or indices, or any combination thereof, all as the Committee shall determine. In addition, to the degree consistent with Section 162(m), the Performance Goals may be calculated in respect of Performance-Based Compensation without regard to extraordinary items.

(k) “**Performance Period**” means the 2013 calendar year.

(l) “**Personal Performance Factor**” means, with respect to the Performance Period, the percentage determined by the Committee based on the Participant’ s personal performance during the Performance Period.

(m) “**Section 162(m)**” means Section 162(m) of the Code, or any successor to Section 162(m), as such Section may be interpreted from time to time by the Internal Revenue Service, whether by regulation, notice or otherwise.

(n) “**Target Bonus Award**” means the target award payable under the Bonus Plan to a Participant for the Performance Period, as determined by the Committee in accordance with Section 5(c).

(o) “**Target Determination Cutoff Date**” means the latest possible date that will not jeopardize a Target Bonus Award’ s qualification as Performance-Based Compensation.

(p) “**Target Determination Date**” means the date or dates upon which the Committee sets the Performance Goals and each Participant’ s Target Bonus Award with respect to the Performance Period, in accordance with Sections 5(b) and 5(c).

### **3. Plan Administration.**

(a) The Committee shall be responsible for the general administration and interpretation of the Bonus Plan and for carrying out its provisions. Subject to the requirements for qualifying compensation as Performance-Based Compensation, the Committee may delegate specific administrative tasks to Company employees or others as appropriate for proper administration of the Bonus Plan. Subject to the limitations on Committee discretion imposed under Section 162(m), the Committee shall have such powers as may be necessary to discharge its duties hereunder, including, but not by way of limitation, the following powers and duties, but subject to the terms of the Bonus Plan:

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(i) authority to adopt Performance Goals and Target Bonus Awards under the Bonus Plan for the Performance Period on or prior to the Target Determination Cutoff Date;

(ii) authority to determine eligibility and the amount, manner and time of payment of any Bonus Awards hereunder, including authority to exercise negative discretion in reducing any Maximum Bonus Award;

(iii) authority to construe and interpret the terms of the Bonus Plan;

(iv) authority to prescribe forms and procedures for purposes of Bonus Plan participation and distribution of Bonus Awards;  
and

(v) authority to adopt rules, regulations and bylaws and to take such actions as it deems necessary or desirable for the proper administration of the Bonus Plan.

(b) Any rule or decision by the Committee that is not inconsistent with the provisions of the Bonus Plan or the 2012 Plan shall be conclusive and binding on all persons, and shall be given the maximum deference permitted by law.

**4. Eligibility.** Participation in the Bonus Plan is at the discretion of the Committee. Officers of the Company who are regularly employed (full or part time) during the Performance Period at the level of Executive Vice President or above and who are subject to Section 16 of the Securities Exchange Act of 1934, are eligible to participate in the Bonus Plan. If an officer is hired after the beginning of the Performance Period the Committee shall have the discretion to determine whether such officer should be eligible to participate in Bonus Plan. If the Participant's Bonus Plan target percent changes during the Performance Period, the officer's Target Bonus Award will be pro-rated based on those adjusted figures as follows: the Target Bonus Award will be based on the number of days in the Performance Period with the former Bonus Plan annual bonus target percent and the number of days in the Performance Period with the new Bonus Plan annual target percent. A Participant must be employed through the payment date to earn any award under this Plan; if the Participant's employment terminates before the payment date of any Bonus Award, the Participant will not be eligible to receive a Bonus Award, or any portion of a Bonus Award, except as provided in an applicable severance plan or in an individual employment or retention agreement with such Participant. If a Participant is on a leave of absence for a portion of the Performance Period, the Participant will be eligible for a Bonus Award under the Bonus Plan based on actual salary earned during the Performance Period (exclusive of any salary replacement benefits paid during the leave via insurance).

#### **5. How the Bonus Plan Works.**

**(a) Bonus Plan Components.** The Bonus Plan components are: (i) the Performance Goals; (ii) Corporate Bonus Pool Factor; (iii) the Target Bonus Award; (iv) the Maximum Bonus Award; (v) the Bonus Pool; (vi) the Personal Performance Factor; and (vii) the Bonus Award.

**(b) Performance Goal Determination.** On the Target Determination Date, the Committee, in its sole discretion, shall establish the Performance Goals for each Participant for the Performance Period. Such Performance Goals shall be set forth in writing on or prior to the Target Determination Cutoff Date, and the achievement of such Performance Goals shall be substantially uncertain at such time.

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**(c) Target Bonus Award.** On the Target Determination Date, the Committee, in its sole discretion, shall designate a Target Bonus Award for each Participant. Each Participant's Target Bonus Award shall be set forth in writing on or prior to the Target Determination Cutoff Date. The Participant's Bonus Award is calculated, in part (as further described below), by reference to his or her Target Bonus Award. The Target Bonus Award equals the product of the annual bonus target percent and the Base Salary. For example, an Executive Vice President whose annual bonus target percent is 50% and whose Base Salary is \$200,000 would have his or her Bonus Award calculated by reference to a Target Bonus Award of \$100,000 ( $\$200,000 \times 50\%$ ).

**(d) Maximum Bonus Award.** Subject to Section 2(e) above, the Maximum Bonus Award that may be earned by a Participant is 200% of his or her Target Bonus Award.

**(e) Funding the Bonus Plan.** On the Payout Determination Date, the Committee, in its sole discretion, shall determine and certify in writing (which may be by approval of the minutes in which the certification was made) the Company's level of achievement of the Performance Goals for the Performance Period and the resulting Corporate Bonus Pool Factor. On the Payout Determination Date, the Committee shall calculate the Bonus Pool, which shall equal, in dollars, the product of (i) the sum of all Participants' Target Bonus Awards and (ii) the Corporate Bonus Pool Factor. In no event will the Bonus Pool exceed the sum of the Maximum Bonus Awards for all Participants. The Committee shall allocate the Bonus Pool to Participants based on each Participant's Personal Performance Factor in accordance with Sections 5(f) and 5(g), and the Company is under no obligation to pay out in Bonus Awards the entire Bonus Pool.

**(f) Personal Performance Factor.** On the Payout Determination Date, the Committee, in its sole discretion, shall determine a Personal Performance Factor for each Participant ranging from 0% to 100%, which may be applied to reduce, but not increase, a Participant's Bonus Award. A Participant's Personal Performance Factor may be based upon the Committee's assessment of the Participant's performance against personal goals during the Performance Period that are established and reviewed in connection with the Company's annual review process, or any additional factors the Committee considers relevant.

**(g) Determination of the Bonus Award.** On the Payout Determination Date, the Committee, in its sole discretion, will determine the actual Bonus Award earned by each Participant by multiplying (i) the Participant's Target Bonus Award by (ii) the Corporate Bonus Pool Factor and by (iii) the Participant's Personal Performance Factor. For example, assuming a Participant's Target Bonus Award equals \$100,000, the Corporate Bonus Pool Factor equals 120% and the Participant's Personal Performance Factor equals 100%, the Participant's Actual Bonus Award would be \$120,000 ( $\$100,000 \times 120\% \times 100\%$ ).

## **6. Bonus Award Payment.**

**(a) Right to Receive Payment.** Each Bonus Award under the Bonus Plan shall be paid solely from the general assets of the Company. Nothing in the Bonus Plan shall be construed to create a trust or to establish or evidence any Participant's claim of any right to payment of a Bonus Award other than as an unsecured general creditor with respect to any payment to which he or she may be entitled.

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**(b) Form of Distributions.** The Company shall distribute all Bonus Awards to the Participants in cash. All payments under this Bonus Plan will be subject to applicable tax withholdings.

**(c) Timing of Distributions.** Subject to Sections 4 and 6(d), the Company shall distribute amounts payable to Participants as soon as is practicable following the Payout Determination Date for the Performance Period, but in no event later than the 15th day of the third calendar month after the end of the calendar year in which the Participant's Bonus Award is no longer subject to a substantial risk of forfeiture, within the meaning of Treasury Regulation Section 1.409A-1(d). Payments under this Plan shall be made in a manner that complies with Treasury Regulation Section 1.409A-1(b)(4) and this Plan shall be construed in accordance with such provision.

**(d) Deferral.** The Committee may defer payment of Bonus Awards, or any portion thereof, to Participants in accordance with Section 409A of the Code as the Committee, in its sole discretion, determines to be necessary or desirable to preserve the deductibility of such amounts under Section 162(m). In addition, the Committee, in its sole discretion, may permit a Participant to defer receipt of the payment of cash that would otherwise be delivered to a Participant under the Bonus Plan. Any such deferral elections shall comply with the requirements of Section 409A of the Code, and shall be subject to such rules and procedures as shall be determined by the Committee in its sole discretion.

**7. Amendment and Termination of the Bonus Plan.** The Committee may amend, modify, suspend or terminate the Bonus Plan, in whole or in part, at any time, including adopting amendments deemed necessary or desirable to correct any defect or to supply omitted data or to reconcile any inconsistency in the Bonus Plan or in any Bonus Award granted hereunder; *provided, however*, that no amendment, alteration, suspension or discontinuation shall be made that would (i) increase the amount of compensation payable pursuant to such Bonus Award, or (ii) cause compensation that is, or may become, payable hereunder to fail to qualify as Performance-Based Compensation. To the extent necessary or advisable under applicable law, including Section 162(m), Bonus Plan amendments shall be subject to stockholder approval. At no time before the actual distribution of funds to Participants under the Bonus Plan shall any Participant accrue any vested interest or right whatsoever under the Bonus Plan except as otherwise stated in the Bonus Plan.

**8. Bifurcation of the Bonus Plan.** It is the intent of the Company that the Bonus Plan, and all payments made hereunder, satisfy and be interpreted in a manner that, in the case of Participants whose compensation is subject to the limitations on deductibility of compensation provided under Section 162(m), qualify as Performance-Based Compensation. Any provision, application or interpretation of the Bonus Plan inconsistent with this intent to satisfy the requirements of Section 162(m) shall be disregarded. However, notwithstanding anything to the contrary in the Bonus Plan, the provisions of the Bonus Plan may at any time be bifurcated by the Board or the Committee in any manner so that certain provisions of the Bonus Plan or any payment intended (or required) to satisfy the applicable requirements of Section 162(m) are applicable only to persons whose compensation is subject to the limitations on deductibility of compensation provided under Section 162(m).

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**9. No Guarantee of Employment.** The Bonus Plan is intended to provide a financial incentive to Participants and is not intended to confer any rights to continued employment upon Participants whose employment will remain at-will and subject to termination by either the Company or Participant at any time, with or without cause or notice.

**10. Recovery.** Any amounts paid under this Bonus Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any plan of or agreement with the Company.

**AIREON LLC**  
**2013 CASH PERFORMANCE BONUS PLAN**

**1. Purpose.** As part of its annual compensation program, Aireon LLC (the “*Company*”) has designed this 2013 Cash Performance Bonus Plan (the “*Bonus Plan*”) for the 2013 calendar year. The Bonus Plan provides Participants with cash incentive awards based on the achievement of corporate and individual performance goals.

**2. Definitions.**

(a) “*Actual Bonus Award*” means, with respect to each Participant, the award determined pursuant to Section 5(g).

(b) “*Affiliate*” means, at the time of determination, any “parent” or “subsidiary” of the Company as such terms are defined in Rule 405. The Board will have the authority to determine the time or times at which parent or subsidiary status is determined within the foregoing definition.

(c) “*Base Compensation*” means the base salary or consulting fees, as applicable, actually earned by a Participant during the Performance Period. Such Base Compensation shall be before both (i) deductions for taxes or benefits, and (ii) deferrals of compensation pursuant to Company-sponsored plans.

(d) “*Board*” means the Board of Directors of the Company.

(e) “*Bonus Award*” means an opportunity to receive payment of the Target Bonus Award and the Actual Bonus Award based on the terms of this Bonus Plan.

(f) “*Bonus Pool*” means, with respect to the Performance Period, the bonus pool established under the Bonus Plan for the payment of Actual Bonus Awards to Participants.

(g) “*Committee*” means the Compensation Committee of the Board (or a subcommittee thereof), or such other committee of the Board (including, without limitation, the full Board) to which the Board has delegated power to act under or pursuant to the provisions of the Bonus Plan.

(h) “*Corporate Achievement Determination Date*” means the date or dates upon which the Committee determines the Company’s level of achievement of the Corporate Performance Goals for the Performance Period and calculates the Bonus Pool for the Performance Period.

(i) “*Corporate Bonus Pool Factor*” means, with respect to the Performance Period, the percentage determined by the Committee based on the Company’s achievement of the Corporate Performance Goals during the Performance Period. The Corporate Bonus Pool Factor will be the sum of the percentages determined by the Committee with respect to the achievement of each individual Corporate Performance Goal based on the Committee’s determination regarding whether the individual Corporate Performance Goal was met at, in excess, or below the target goal; provided, however, that in no event will the Corporate Bonus Pool Factor exceed 150%.

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(j) “**Corporate Performance Goals**” means the corporate goal(s) (or combined goal(s)) determined by the Committee, in its sole discretion, in accordance with Section 5(b). The goals are a set of weighted criteria and factors that may relate to the Company, one or more of its Affiliates or one or more of its or their divisions or units, or any combination of the foregoing, and may be applied on an absolute basis and/or be relative to one or more peer group companies or indices, or any combination thereof, and may include stretch goals, all as the Committee will determine.

(k) “**Corporate Performance Goal Determination Date**” means the date or dates upon which the Committee sets the Corporate Performance Goals with respect to the Performance Period.

(l) “**Participant**” means an employee or consultant of the Company or an Affiliate who is eligible to participate in the Bonus Plan pursuant to Section 4.

(m) “**Payout Determination Date**” means the date or dates on which the Committee determines the Actual Bonus Awards payable to the Participants with respect to the completed Performance Period, in accordance with Section 5(g).

(n) “**Performance Period**” means the 2013 calendar year.

(o) “**Personal Performance Factor**” means, with respect to the Performance Period, the percentage determined by the Committee based on the Participant’ s personal performance during the Performance Period.

(p) “**Rule 405**” means Rule 405 promulgated under the Securities Act of 1933, as amended.

(q) “**Target Bonus Award**” means the target bonus award potentially payable to a Participant in accordance with the target bonus percentage set forth in the Participant’ s offer letter or other written agreement between the Participant and the Company, as such offer letter or agreement may be amended from time to time. A Participant’ s Target Bonus Award equals the product of such target bonus percentage and the Participant’ s Base Compensation.

### **3. Plan Administration.**

(a) The Committee shall have the authority to adopt Corporate Performance Goals and to determine the Corporate Bonus Pool Factor for the Performance Period.

(b) Subject to Section 3(a), the Committee shall be responsible for the general administration and interpretation of the Bonus Plan and for carrying out its provisions. The Committee may delegate some or all of the administration of the Bonus Plan to other employees of the Company, as necessary or desirable for proper administration of the Bonus Plan. The Committee shall have such powers as may be necessary to discharge its duties under the Bonus Plan, including, but not by way of limitation, the following:

(i) to determine eligibility and the amount, manner and time of payment of any Bonus Awards under the Bonus Plan, including authority to determine a Participant’ s Personal Performance Factor;

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(ii) to construe and interpret the terms of the Bonus Plan;

(iii) to prescribe forms and procedures for purposes of Bonus Plan participation and distribution of Bonus Awards; and

(iv) to adopt rules and to take such actions as it deems necessary or desirable for the proper administration of the Bonus Plan.

(c) Any rule or decision by the Committee that is not inconsistent with the provisions of the Bonus Plan shall be conclusive and binding on all persons be given the maximum deference permitted by law.

**4. Eligibility.** Employees of the Company or an Affiliate who are regularly employed (full or part time) by the Company or an Affiliate during the Performance Period and who are not participants in any other bonus plan of the Company or an Affiliate, including but not limited to the Iridium Communications Inc. 2013 Employee Cash Performance Bonus Plan or the Iridium Communications Inc. 2013 Executive Cash Performance Bonus Plan, and certain consultants of the Company or an Affiliate designated by the Committee from time to time are eligible to participate in the Bonus Plan. If an employee's employment or a consultant's service with the Company or an Affiliate commences after the beginning of the Performance Period, the Committee shall have the discretion to determine whether and on what basis (for example, an Actual Bonus Award that is pro-rated based on completed months of service during the Performance Period) such employee or consultant will be eligible to participate in the Bonus Plan. If the Participant's Target Bonus Award changes during the Performance Period because of a change in the target bonus percentage set forth in the Participant's offer letter or other written agreement with the Company or an Affiliate, the Participant's Target Bonus Award will be pro-rated based on the number of days during the Performance Period when each of the target bonus percentages was in effect. A Participant must be employed by, or in the service of, the Company or an Affiliate through the date Actual Bonus Awards are paid to earn any award under the Bonus Plan; if the Participant's employment or service terminates before such payment date, such Participant shall not be eligible to receive a Bonus Award, or any portion of a Bonus Award, except as provided in an applicable severance plan or in an individual employment, retention, or other written agreement between the Company or an Affiliate and such Participant. If an employee is on a leave of absence for a portion of the Performance Period or a consultant is not providing service during a portion of the Performance Period, to the extent such Participant is eligible for a Bonus Award under the Bonus Plan, such Bonus Award shall only be based on actual salary or fees, as applicable, earned during the Performance Period (exclusive of any salary replacement benefits paid during the leave through insurance).



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## 5. How the Bonus Plan Works.

**(a) Bonus Plan Components.** The Bonus Plan components are: (i) the Corporate Performance Goals; (ii) the Corporate Bonus Pool Factor; (iii) the Target Bonus Award; (iv) the Bonus Pool; (v) the Personal Performance Factor; and (vi) the Actual Bonus Award.

**(b) Corporate Performance Goals.** On the Corporate Performance Goal Determination Date, the Committee, in its sole discretion, shall establish the Corporate Performance Goals for the Performance Period.

**(c) Corporate Bonus Pool Factor.** On the Corporate Achievement Determination Date, the Committee, in its sole discretion, shall determine the Company's level of achievement of the Corporate Performance Goals and the resulting Corporate Bonus Pool Factor.

**(d) Target Bonus Award.** On the Corporate Achievement Determination Date, the Committee shall calculate each Participant's Target Bonus Award.

**(e) Bonus Pool.** On the Corporate Achievement Determination Date, the Committee shall calculate the Bonus Pool, which shall equal, in dollars, the product of (i) the sum of all Participants' Target Bonus Awards and (ii) the Corporate Bonus Pool Factor. For example, if the Corporate Bonus Pool Factor is determined to be 110%, the Bonus Pool will equal 110% multiplied by the sum of all Participants' Target Bonus Awards. The Company is under no obligation to pay out in Actual Bonus Awards the entire Bonus Pool. The Committee shall allocate the Bonus Pool to Participants based on each Participant's Personal Performance Factor in accordance with Sections 5(f) and 5(g), but in no event may the sum of the Actual Bonus Awards payable to all Participants under the Bonus Plan exceed the Bonus Pool.

**(f) Personal Performance Factor.** On the Payout Determination Date, the Committee, in its sole discretion, shall determine a Personal Performance Factor for each Participant ranging from 0% to 150%. A Participant's Personal Performance Factor may be based upon the Committee's assessment of the Participant's performance against personal goals during the Performance Period that are established and reviewed in connection with the Company's annual review process, or any additional factors the Committee considers relevant.

**(g) Actual Bonus Award.** On the Payout Determination Date, the Committee shall determine the Actual Bonus Award earned by each Participant by multiplying (i) the Participant's Target Bonus Award by (ii) the Corporate Bonus Pool Factor and by (iii) the Participant's Personal Performance Factor. For example, assuming a Participant's Target Bonus Award equals \$60,000, the Corporate Bonus Pool Factor equals 120% and the Participant's Personal Performance Factor equals 100%, the Participant's Actual Bonus Award would be \$72,000 ( $\$60,000 \times 120\% \times 100\%$ ). In the event the sum of all Actual Bonus Awards calculated in accordance with the forgoing formula exceeds the Bonus Pool, each Actual Bonus Award will be reduced on a pro rata basis, such that the sum of the Actual Bonus Awards calculated after such reduction equals the Bonus Pool.

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## **6. Actual Bonus Award Payment.**

**(a) Right to Receive Payment.** Each Actual Bonus Award under the Bonus Plan shall be paid solely from the general assets of the Company. Nothing in the Bonus Plan shall be construed to create a trust or to establish or evidence any Participant's claim of any right to payment of an Actual Bonus Award other than as an unsecured general creditor with respect to any payment to which he or she may be entitled.

**(b) Form of Distributions.** The Company shall distribute all Actual Bonus Awards to the Participants in cash. All payments under this Bonus Plan shall be subject to applicable tax withholdings.

**(c) Timing of Distributions.** Subject to Section 6(d), the Company shall distribute amounts payable to Participants as soon as is practicable following the Payout Determination Date for the Performance Period, but in no event later than the 15th day of the third calendar month after the end of the Performance Period. Payments under this Bonus Plan will be made in a manner that complies with Treasury Regulations Section 1.409A-1(b)(4), and this Bonus Plan shall be construed in accordance with such provision.

**(d) Deferral.** The Committee, in its sole discretion, may permit a Participant to defer receipt of the payment of cash that would otherwise be delivered to a Participant under the Bonus Plan. Any such deferral elections will comply with the requirements of Section 409A of the Internal Revenue Code, as amended, and will be subject to such rules and procedures as will be determined by the Committee in its sole discretion.

**7. Amendment and Termination of the Bonus Plan.** The Committee may amend, modify, suspend or terminate the Bonus Plan, in whole or in part, at any time, including adopting amendments deemed necessary or desirable to correct any defect or to supply omitted data or to reconcile any inconsistency in the Bonus Plan or in any Bonus Award granted hereunder. At no time before the actual distribution of funds to Participants under the Bonus Plan shall any Participant accrue any vested interest or right whatsoever under the Bonus Plan except as otherwise stated in the Bonus Plan.

**8. No Guarantee of Employment.** The Bonus Plan is intended to provide a financial incentive to Participants and is not intended to confer any rights to continued employment or service upon Participants, whose employment or service will remain at-will and subject to termination by either the Company or Participant at any time, with or without cause or notice.