



GENERAL INFORMATION ABOUT MALAKUT CONSTELLATION INSURANCE BROKERS CJSC

Malakut Constellation Insurance Brokers CJSC is a part of Malakut group of companies and it was founded in May 2008. The main area of the company activities is a provision of broking services in the field of insurance and reinsurance of risks in space and military industries.

THE HISTORY OF MALAKUT GROUP OF COMPANIES DEVELOPMENT



Malakut Insurance Brokers CJSC is a Russian insurance broker specialized on large corporate clients providing them with insurance and reinsurance services as well as consulting regarding risk-management. The company was founded in 2000 and very soon became a recognized national leader in insurance and reinsurance markets. Its dynamic development and active position on the market are also officially recognized by the international insurance community — over the period of four years (2005, 2006, 2007 and 2008) the company was recognized as «The Best Russian insurance and reinsurance broker» by Reactions International Magazine.




Together with the company's business growth its capabilities for broking activities on the foreign markets are also increasing. Today Malakut's representative offices and affiliated companies operate in Ukraine, Kazakhstan, Vietnam, the United Arab Emirates, Panama, Malaysia and Switzerland. The international offices of Malakut brand are united into the Malakut group of companies.

The Malakut group of companies specializes in different industrial types of insurance and reinsurance broking services. Since the first day of the foundation the most successfully operating departments in Malakut Insurance brokers have been Energy Risks Insurance Department and Aviation and Space Risks Insurance Department. On the basis of the latter a specialized broker company Malakut Constellation was founded in 2008.

ITALAKUT CONSTELLATION INSURANCE BROKERS CJSC SERVICES

The main area of the company's activities is risks management for space and military industry enterprises and innovative activities risks. The foundation of the separate company specialized in the certain area is aimed at focusing on unique needs of our clients, finding the most optimal solutions for their interests protection in insurance and building the system of effective risk-management considering features of space activities.






THE MAIN SERVICES

-  Arrangement of insurance and reinsurance coverage
-  Selection of insurance companies for the tender purposes, in accordance with the clients' instructions or based on the broker experience
-  Client consulting on insurance and reinsurance documentation aspects
-  Interaction with reinsurance markets for obtaining the best risk reinsurance conditions
-  Insurance terms and conditions negotiation with underwriters, leasing companies, banks, manufacturers or purchasers of space equipment, services customers

- Representation and protection of the client interests on the aspects connected with the conclusion and execution of the insurance and reinsurance policies including claims settlement and insurance indemnities
- Provision of preliminary indications and final quotations of risks
- Organization of insurance examination (technical examination, survey) of the object to be insured
- Organization of insurance examination (technical examination, survey) when the loss has occurred

COMPLEMENTARY SERVICES

- Client support in the processes of tenders, negotiations or implementation of concluded agreements on manufacturing or procurement of space equipment and the provision of launch services, telecommunication and other services in the space sector
- Legal support organization of insurance transactions including losses settlement
- Negotiations arrangements
- Organization of meetings with underwriters, client presentations in insurance and reinsurance markets, underwriters visits on objects of insurance
- Risk-management and insurance programs development

-  Analysis, optimization and correction of errors in previously provided insurance coverage
-  Support in insurance documentation preparation including unification with foreign insurance and reinsurance markets standards
-  Client's employees training on insurance aspects at the broker's office and in the offices of foreign reinsurance markets companies
-  Client's employees invitation to events organized by the broker: conferences, seminars
-  Clients submission to news and analytical information, materials about the insurance and reinsurance markets

The company's experts are ready to offer a complex organization of insurance coverage for a project with detailed analysis of contracts between contracting parties, sharing of parties responsibilities for the purpose of minimization of insurance and reinsurance expenses, decreasing of client's risks. Malakut Constellation Insurance Brokers CJSC offers services in claims settlement even in situations when process of insurance or reinsurance of risks has been organized without participation of our company or with involvement of another broker.

CLASSICAL TYPES OF INSURANCE

Besides the specific space risks insurance and reinsurance Malakut Constellation Insurance Brokers CJSC provides full range of services in respect of following types of insurance:

-  Fire Insurance
-  Cargo Insurance
-  Liability Insurance
-  CAR/EAR Insurance
-  Motor Insurance
-  Voluntary Medical Insurance
-  Financial Risks Insurance
-  Electronic Equipment Insurance

-  Engineers' and Designers' Liability Insurance
-  Warranty Insurance
-  Environment Pollution Insurance
-  Deductible Insurance
-  Credit and trade risks insurance

The abovementioned types of insurance are a part of the full list of classical types of insurance services provided by Malakut Constellation Insurance Brokers CJSC.

SPACE INSURANCE

Malakut Constellation Insurance Brokers CJSC renders to the clients insurance services at all stages of project progress:

- Development and design of space equipment
- Manufacturing and testing including firing tests
- Transportation and prelaunch preparation of space equipment
- Launch of the spacecraft into intended orbital position
- Commissioning phase of the spacecraft in orbit
- Spacecraft orbital operation
- End of operation and deorbit of the spacecraft

CAPACITIES OF THE SPACE INSURANCE MARKETS

The Russian liability insurance market:
\$ 35 000 000

The international orbital spacecrafts operation market:
\$ 350 000 000

The international spacecrafts launch market:
\$ 800 000 000

The international liability insurance market:
\$ 1 000 000 000

The Russian spacecrafts launch market:
\$ 20 000 000

The Russian orbital spacecrafts operation market:
\$ 15 000 000

LIST OF KEY PROJECTS INSURED FOR THE PAST 5 YEARS*

-  Experimental Manufacturing Plant of S.P. Korolev Rocket and Space Corporation Energia CJSC
-  Russian Federation Ministry of Defence
-  Belarus National Academy of Sciences
-  VNIIEM Corporation
-  OJSC V.P.Glushko NPO Energomash
-  OJSC Energia Logistics LLC, Energia Logistics Ltd
-  Rosoboronexport JSC
-  Khrunichev State Research and Production Space Center FSUE
-  FSUE “Russian Satellite Communications Company”
-  Lavochkin NPO FSUE
-  Center for Operation of Ground-Based Space Infrastructure Facilities (TsENKI) FSUE
-  National Satellite Meteorological Center, China Meteorological Administration (China)

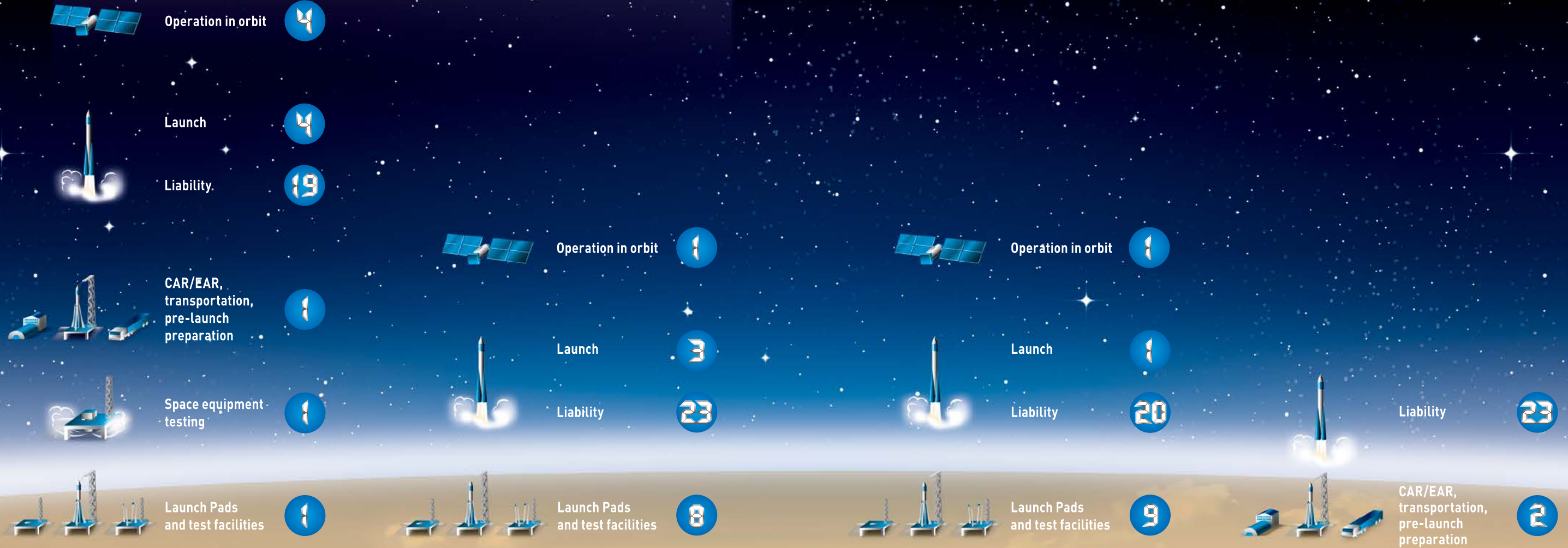
* in alphabetical order

LIST OF KEY PROJECTS REINSURED FOR THE PAST 5 YEARS*

-  SOGAZ INSURANCE
-  Insurance Company Megaruss-D
-  Rosles Re LLC
-  Civil Insurance House LLC
-  Insurance center Sputnik LLC
-  VTB Insurance LLC
-  VSK OJSC
-  Russian Insurance Center OJSC
-  China United Property Insurance Company Limited (China)
-  Samsung Fire and Marine Insurance Co., Ltd., (the Republic of Korea)

* in alphabetical order

PROJECTS IMPLEMENTED



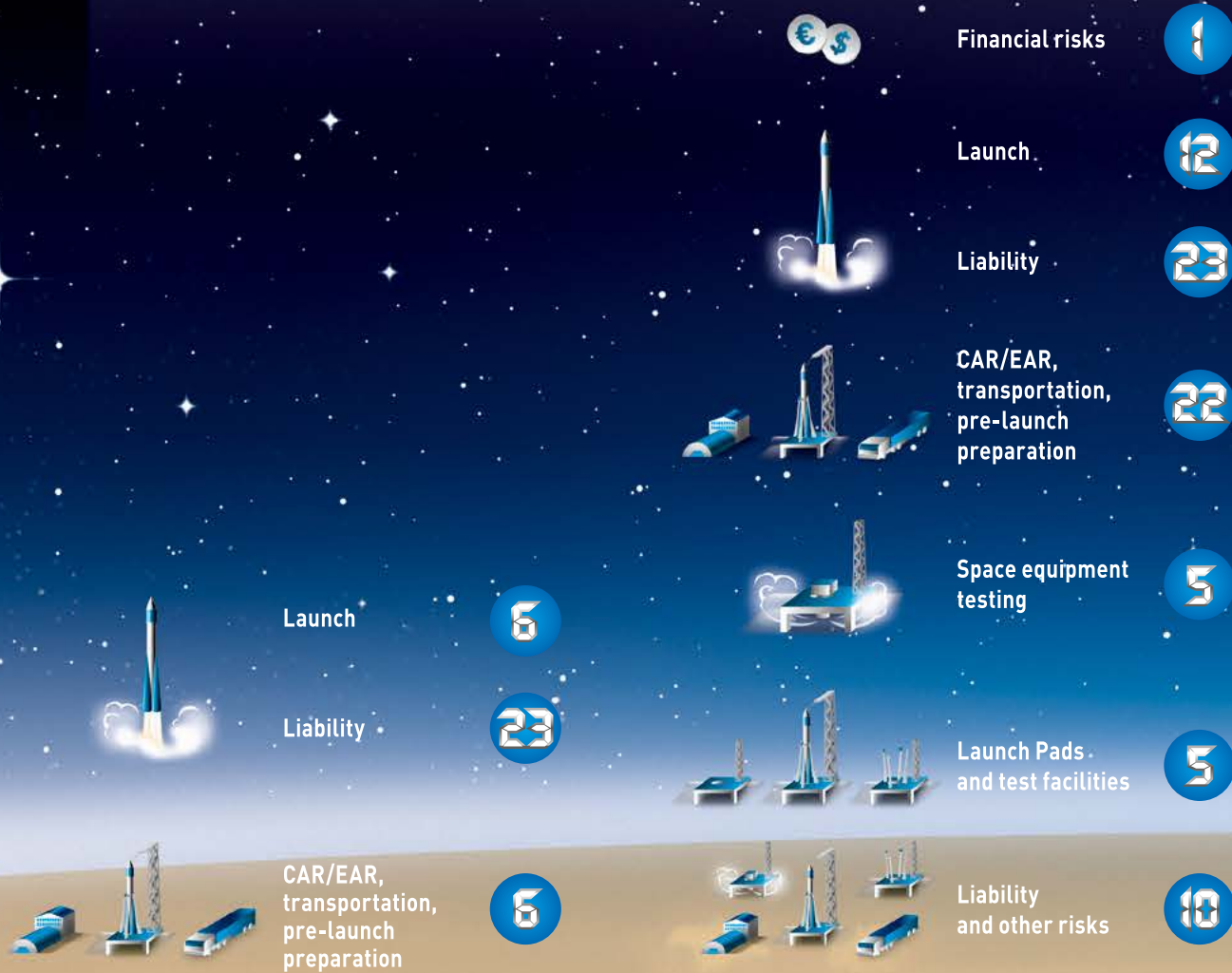
2004

2005

2006

2007

PROJECTS IMPLEMENTED



2008



2009



2010



2011



2012



2013



2014







2015
(6 months)

MAIN CLAIMS SETTLED

The date of insurance event	Insured	Insurer	Object of insurance
16 May 2014	FSUE "Russian Satellite Communications Company" (RSCC)	INGOSSTRAKH OJSC	EXPRESS AM-4R
24 January 2012	Experimental Manufacturing Plant of S.P. Korolev Rocket and Space Corporation Energia CJSC	Insurance center Sputnik LLC	Soyuz № 704
15 January 2012	Federal State Unitary Enterprise Center for Operation of Ground-Based Space Infrastructure Facilities (TsENKI)	Insurance center Sputnik LLC Russian Insurance Center OJSC	Phobos-Grunt
05 December 2010	Federal State Unitary Enterprise "Center for Operation of Ground-Based Space Infrastructure Facilities" (TsENKI)	Insurance center Sputnik LLC	Three Glonass-M spacecrafts (Block #43)
25 December 2009	NPO Energomash "V. P. Glushko" OJSC	Russian Insurance Center OJSC	RD 171M № A 157
29 December 2007	Federal State Unitary Enterprise Russian Satellite Communications Company	Ingosstrakh OJSC	Express-AM2
06 September 2007	Federal State Unitary Enterprise "Center for Operation of Ground-Based Space Infrastructure Facilities" (TsENKI)	Russian insurance center OJSC	JCSat-11 (Proton-M)
24 December 2004	The State Space Agency of Ukraine (SSAU, before December 9, 2010 — the National Space Agency of Ukraine, NSAU)	IC Lemma CJSC	SICH-1M and Microspatnik (Cyclone 3)

Malakut Constellation Insurance Brokers has gained experience in claim settlements at all phases of a space project:

-  Manufacturing: damage and defects detected during performance tests
-  Tests: destruction and damage occurred during a space equipment firing tests
-  Spacecraft launch: total loss, launch to non-nominal orbit
-  Orbital operation: total loss and failure of the spacecraft systems

The total amount of claims settled in all types of insurance per Malakut Constellation Insurance Brokers CJSC share is \$55 294 855

SPACE CLUB

In 2005 Malakut held the first international space insurance conference in Russia – the Space Club. The main idea of the Space Club is a discussion of pressing issues of space insurance by the market players. On May 26, 2010 IV conference Space club 2010 took place in the Baltshug Kempinski Hotel (Moscow). Insurance broker Malakut Constellation, the insurance company Russian Insurance Center, insurance centre Sputnik and insurance broker Space Partnership International (SPI) organized this event. Representatives from more than 50 countries participator in the conference: Russia, Great Britain, France, USA, Ukraine, Belorussia and others.

The following companies' presentations and reports were met by the conference participants with the great interest: Russian Space Forces, TsENKI, Russian Satellite Communications Company, Gazprom space systems, NPO Energomash "V. P. Glushko", Khrunichev State Research and Production Space Center, Catlin (Lloyd's Syndicate), ElseCo (the United Arab Emirates), Barlow Lyde and Gilbert (the UK), Airclaims (the UK), Sea Launch Joint Venture, Eurockot Launch Services GmbH.



OUR ADVANTAGES

-  The only broker on the territory of the CIS, specialized on insurance and reinsurance of space and military industry risks
-  24/7 availability
-  The client has the reliable partner and is not limited to work with one insurer only
-  Individual approach to every project
-  Complex vision: risk assessment, risk management and insurance schemes, negotiations and presentations of space projects, risk quotation, insurance and reinsurance documentation preparation and support
-  Service at all phases of project progress
-  Operating in Russian and international insurance and reinsurance markets
-  Efficient access to alternative reinsurance markets
-  Extensive experience in the arrangement of reinsurance and insurance coverage
-  Participation on the constant basis in insurance and reinsurance of spacecraft launches from Russian cosmodromes
-  We offer RUB, USD, EUR, CNY as practicable Settlement Currencies. Flexible terms of currencies exchange for Premiums and Claims
-  Ease of negotiations. Absence of language barriers

