

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	)	
	)	Chapter 11
	)	
Hughes Satellite Systems Corporation, <i>et al.</i> , ¹	)	Case No. 26-90739 (ARP)
	)	
Debtors.	)	(Joint Administration Requested)
	)	(Emergency Hearing Requested)

**DEBTORS' EMERGENCY MOTION FOR ENTRY OF AN ORDER
(I) AUTHORIZING THE DEBTORS TO (A) PAY PREPETITION WAGES, OTHER
COMPENSATION, REIMBURSABLE EXPENSES, AND CERTAIN SEVERANCE
OBLIGATIONS AND (B) CONTINUE EMPLOYEE BENEFITS PROGRAMS, AND
(II) GRANTING RELATED RELIEF**

Emergency relief has been requested. Relief is requested not later than 1:00 p.m. (prevailing Central Time) on August 3, 2026.

If you object to the relief requested or you believe that emergency consideration is not warranted, you must appear at the hearing if one is set, or file a written response prior to the date that relief is requested in the preceding paragraph. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

A hearing will be conducted on this matter on August 3, 2026 at 1:00 p.m. (prevailing Central Time) in Courtroom 400, 4th Floor, 515 Rusk, Houston, Texas 77002. Participation at the hearing will only be permitted by an audio and video connection.

Audio communication will be by use of the Court's dial-in facility. You may access the facility at (832) 917-1510. Once connected, you will be asked to enter the conference room number. Judge Pérez's conference room number is 282694. Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Pérez's home page. The meeting code is "JudgePérez". Click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of both electronic and in-person hearings. To make your appearance, click the "Electronic Appearance" link on Judge Pérez's home page. Select the case name, complete the required fields and click "Submit" to complete your appearance.

¹ The last four digits of Hughes Satellite Systems Corporation's tax identification number are 7865. A complete list of each of the Debtors in these Chapter 11 Cases and the last four digits of their federal tax identification numbers may be obtained on the website of the Debtors' proposed claims and noticing agent at <https://dm.epiq11.com/HughesSatellite>. The location of the Debtors' corporate headquarters and the Debtors' service address is 9601 S. Meridian Blvd., Englewood, Colorado 80112.

The debtors and debtors in possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”) state as follows in support of this motion (this “**Motion**”):

Relief Requested

1. The Debtors request entry of an order (the “**Proposed Order**”) substantially in the form attached (a) authorizing, but not directing, the Debtors to (i) pay all prepetition wages, other compensation, reimbursable expenses, and certain severance obligations, and (ii) continue certain employee benefit programs, including payment of related prepetition obligations, in the ordinary course of business, and (b) granting related relief.

2. A detailed description of the Debtors and their businesses, including the facts and circumstances giving rise to the Debtors’ Chapter 11 Cases, is set forth in the *Declaration of Robert Del Genio in Support of Chapter 11 Petitions and Requests for First Day Relief* (the “**First Day Declaration**”).²

3. For the reasons set forth below, the relief requested is in the best interest of the Debtors, their estates, creditors, and other parties in interest, and should be granted.

Jurisdiction, Venue, and Predicates for Relief

4. The United States Bankruptcy Court for the Southern District of Texas (the “**Court**”) has jurisdiction over this matter under 28 U.S.C. § 1334. This matter is a core proceeding under 28 U.S.C. § 157(b). The Debtors consent to the entry of a final order by the Court. Venue is proper under 28 U.S.C. §§ 1408 and 1409.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the First Day Declaration.

5. The predicates for the relief requested are sections 105(a), 363, 507, 1107, and 1108 of title 11 of the United States Code (the “**Bankruptcy Code**”), rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and the Bankruptcy Local Rules for the Southern District of Texas (the “**Bankruptcy Local Rules**”).

Background

I. Overview of Chapter 11 Cases

6. On August 2, 2026 (the “**Petition Date**”), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession under sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors have requested joint administration of these Chapter 11 Cases under Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made, and no official committee has been appointed.

7. The Debtors are subsidiaries of EchoStar Corporation (NASDAQ: ECHO) (“**EchoStar**”), which is not a Debtor in these Chapter 11 Cases or any other chapter 11 case.³ The Debtors and their subsidiaries (collectively, the “**Company**”) are a leading provider of broadband satellite technologies, internet services, and networking solutions to consumer, enterprise, and government customers worldwide, operating across geostationary (“**GEO**”) and low earth orbit (“**LEO**”) architectures. The Company’s GEO infrastructure consists of a fleet of six satellites and 69 terrestrial gateways, delivering industry-leading network availability and uptime. The

³ On June 30, 2026, certain other subsidiaries of EchoStar and affiliates of the Debtors filed separate chapter 11 cases with this Court (the “**DISH Chapter 11 Cases**”), which are being jointly administered for procedural purposes under the consolidated caption: *In re DISH DBS Corporation, DISH Wireless L.L.C., et al.*, Case No. 26-90627 (Bankr. S.D. Tex.) (CML). For the avoidance of any doubt, the Debtors’ Chapter 11 Cases are separate (and being separately administered) from the DISH Chapter 11 Cases. The DISH Chapter 11 Cases pertain solely to EchoStar’s Pay-TV segment and its legacy Wireless segment, and do not relate to the Broadband and Satellite Services segment operated by the Company.

Company has made significant investments in next-generation LEO capabilities, including the development of advanced LEO ground systems, flat-panel antenna technology, multi-orbit terminal technology, and interoperable network platforms designed to deliver lower-latency, higher-throughput connectivity to customers. These LEO investments position the Company to serve as a critical ground infrastructure and managed services layer for the rapidly expanding global LEO constellation market, complementing and extending the reach of their existing GEO network.

8. The Company's consumer segment delivers broadband internet to markets in the Americas under the iconic HughesNet brand, serving over 641,000 subscribers. The Company's enterprise segment provides end-to-end managed network services, in-flight connectivity, and satellite-enabled solutions to blue-chip customers across the telecom, energy, retail, defense, and aeronautical sectors, among others. The Company's government segment delivers secure satellite and 5G communications solutions tailored to the mission-critical requirements of U.S. and allied defense customers. The Company generated over \$1.4 billion in revenue for the fiscal year ended December 31, 2025, and holds approximately \$1.5 billion in contracted enterprise backlog as of the first quarter of 2026.

9. The Debtors are undergoing a strategic evolution from their legacy consumer business to their rapidly growing enterprise and government businesses. The Debtors intend to utilize the tools afforded by chapter 11 to right-size their operations, effectuate their strategic transition, and emerge as a stronger, more focused enterprise—all without interruption to the critical services they provide to their customers.

10. Additional factual background and information regarding the Debtors, including their business operations, their corporate and capital structure, and the events leading to the commencement of these Chapter 11 Cases, is set forth in detail in the First Day Declaration.

II. Debtors' Workforce

11. As of the Petition Date, the Debtors employ approximately 1,275 full-time and part-time employees (together, the "**Employees**") employed by Debtor Hughes Network Systems, LLC, including the Notified Employees (as defined below). Approximately 1,100 of the Debtors' Employees are salaried and approximately 175 are paid on an hourly basis. In addition to the Employees the Debtors have historically supplemented their workforce by relying on independent contractors (the "**Independent Contractors**") and staffing agencies (the "**Staffing Agencies**" and, together with the Employees and the Independent Contractors, the "**Workforce**").

12. To ensure alignment of the Debtors' workforce needs with economic realities, on July 24, 2026 through July 28, 2026, the Debtors issued notices to approximately 400 Employees that their employment with the Company would be terminated (such Employees, the "**Notified Employees**"). Although the contemplated termination dates vary, the majority of the Notified Employees have a contemplated termination date of September 22, 2026 through September 26, 2026 (which is 60 days following the date the Debtors notified the Notified Employees), reflecting the Debtors' judgment that a 60-day transition period (the "**Transition Period**") is important not only to those Employees but also to the Debtors' efforts to preserve and maximize the value of their businesses, and also would comply with the requirements of federal or state Worker Adjustment and Retraining Notification ("**WARN**") Acts, to the extent applicable to such

Employees. 29 U.S.C. §§ 2101-09.⁴ The Notified Employees will continue to be employed through their respective termination dates.

13. The Debtors' ability to maintain business operations, effectively serve their customers, and maximize value is highly dependent on the support of their dedicated Workforce. The Employees perform a wide variety of roles, including jobs related to technology, engineering, network operations, IT and digital infrastructure, human resources, product management, data analytics, sales and marketing, finance and accounting and legal. The Independent Contractors and Staffing Agencies serve in various business functions that are vital to the Debtors, including IT, engineering, customer support, gateway support, field service support & technical support. Retaining the Workforce, with their specialized skills, expertise, and intimate understanding of the Debtors' businesses, is essential to the Debtors' ability to maintain business continuity and maximize the value of their estates in these Chapter 11 Cases. It is also important to the continuity of their businesses that the Debtors have the services of the Notified Employees through their anticipated termination date(s).

14. The vast majority of the Workforce relies exclusively on their Compensation and Benefits to pay their daily living expenses and support their families. If the Debtors are not permitted to continue paying and honoring their obligations to their Workforce (and the third parties that assist the Debtors in meeting such obligations) during these Chapter 11 Cases in the ordinary course of business, the Workforce would face significant financial hardship and the Debtors would face, among other things, the unnecessary disruption of their business at the outset of these Chapter 11 Cases. In short, absent the continued, uninterrupted services of the Workforce,

⁴ The Debtors also notified the relevant government authorities, to the extent that the Debtors believed they were required to do so in connection with the WARN Acts.

the Debtors' ability to administer their estates and achieve their objectives in these chapter 11 cases would be materially impaired to the detriment of all stakeholders.

15. In addition, the Debtors benefit from corporate shared services provided by their non-debtor parent, EchoStar, and certain of EchoStar's non-debtor affiliates (collectively, the **"Shared Services Providers"**). The Shared Services Providers employ thousands of corporate and other personnel located throughout the United States who provide services across EchoStar's enterprise, including information technology, human resources, finance and accounting, cybersecurity, legal, facilities management, and executive management services (collectively, the **"Shared Services"**). Such personnel are allocated to particular EchoStar entities—including the Debtors—based on quarterly level of effort (**"LOE"**) surveys, and the related employee expenses are allocated to the Debtors proportionally based on such LOE percentages. The Debtors' allocated portion of Shared Services costs gives rise to intercompany obligations owed by the Debtors to the non-debtor entities that compensate the Shared Services personnel. The Shared Services are critical to the Debtors' day-to-day operations and support essential functions, including payroll administration, benefits management, financial reporting, and network and cybersecurity operations.

16. The intercompany obligations arising from the Debtors' allocated portion of Shared Services costs are recorded as intercompany charges on the books and records of the applicable entities and are not settled in cash. Accordingly, the Shared Services do not give rise to any cash payment obligations of the Debtors, and no authority to make reimbursements is sought hereunder on account of such intercompany accounting entries. The Debtors disclose the Shared Services arrangement herein out of an abundance of caution and to provide the Court and parties in interest with a full understanding of the manner in which the Debtors' Workforce and business operations

are supported. The Debtors further request, out of an abundance of caution, authorization but not direction to continue to utilize the services of the Shared Services Providers and to continue to account for the Debtors' intercompany obligations with respect to the employee-related Shared Services consistent with prepetition practice and without waiving the rights of the Debtors or their estates to dispute the Debtors' intercompany obligations on any grounds (including the manner with which such intercompany obligations are accounted for postpetition).

III. Compensation and Benefits

17. To minimize the personal hardship that the Workforce would suffer if prepetition employee-related obligations are not paid or remitted when due or expected, the Debtors request authority, but not direction, to: (a) pay and honor, as applicable, prepetition obligations that the Debtors have directly or indirectly incurred to the Workforce in the ordinary course of business, including: (i) the Wage Obligations; (ii) Severance Obligations; (iii) Payroll Withholding and Processing Obligations; (iv) Reimbursable Expenses and Fees; (v) Health and Welfare Benefits; (vi) Non-Insider Incentive Programs; (vii) Stock-Related Programs; (viii) Retirement Programs; (ix) Paid Leave Benefits; (x) Additional Fringe Benefits; and (xi) Independent Director Compensation Obligations, ((i) through (xi), the “**Compensation and Benefits**”)⁵ and (b) continue to honor and pay all costs related to or on account of the Compensation and Benefits provided to the Workforce on a postpetition basis in the ordinary course of business. For the avoidance of doubt, the relief sought by the Debtors includes authorization, but not direction, to continue to pay

⁵ The descriptions of the Compensation and Benefits set forth in this Motion constitute a summary only. The actual terms of the agreements, contracts, plans, programs, and manuals governing the Compensation and Benefits Programs shall govern in the event of any inconsistency with the description in this Motion. The Debtors request authority, but not direction, to honor obligations related to Compensation and Benefits in the ordinary course of business, regardless of whether the Debtors inadvertently failed to include a particular benefit or aspect of compensation in the defined term “Compensation and Benefits,” and any such inadvertently omitted benefit or aspect of compensation is included in the defined term “Compensation and Benefits” as used herein and in the Order.

and honor Compensation and Benefits to the Notified Employees during the Transition Period (and for any such longer period that the Notified Employees are employed by the Debtors).

18. Out of an abundance of caution, the Debtors further request confirmation of their right to modify, change, and/or discontinue any of the programs and policies relating to the Compensation and Benefits, and to implement new programs, policies, and benefits on a postpetition basis in the ordinary course of business, in the Debtors' discretion, without the need for further Court approval, subject to applicable law.

19. The chart below summarizes the estimated prepetition amounts sought to be paid on account of the Compensation and Benefits pursuant to the Order:

Motion Category	Compensation and Benefits	Prepetition Amount
Wage Obligations	Employee Wages	\$7,500,000
	Independent Contractor Obligations	\$4,000
	Staffing Agency Obligations	\$6,100,000
Severance Obligations	Ordinary Course Severance Payments	\$0
Payroll Withholding and Processing Obligations	Withholding Obligations	\$10,960,000
	Payroll Processing Fees	\$10,000
Reimbursements	Reimbursable Expenses and Fees	\$140,000
Health and Welfare Benefits	Medical and Prescription Plans	\$400,000
	Dental Plan	\$70,000
	Vision Plan	\$11,000
	HSA Contributions	\$28,000
	FSA Amounts	\$1,000
	COBRA Obligations	\$1,000
	Life & AD&D Insurance Plans	\$10,000
	Disability Benefits	\$70,000
	EAP Obligations	\$3,000
	Additional Benefit Programs	\$30,000
Non-Insider Incentive Programs and Stock-Related Programs	Non-Insider Sales and Bonus Programs	\$200,000
Retirement Programs	401(k) Match Obligations	\$450,000
	401(k) Fees	\$30,000
Paid Leave	Paid Leave Benefits	\$10,000,000
Additional Fringe Benefits	Additional Fringe Benefits	\$1,000
Independent Director Compensation	Independent Director Compensation Obligations	\$0
TOTAL:		\$36,019,000

20. Other than with respect to prepetition obligations related to Paid Leave Benefits if Paid Leave Benefits were reduced to cash payment obligations, the Debtors do not believe that amounts owed to any Employee or Independent Contractor on account of the Compensation and Benefits exceeds the statutory cap of \$17,150 under sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code (the “**Priority Amount**”).

A. **Wage Obligations**

21. In the ordinary course of business, the Debtors’ obligations to the Workforce include the Employee Wages, Independent Contractor Obligations, and Staffing Agency Obligations (each as defined below, and collectively, the “**Wage Obligations**”). On average, the Debtors pay approximately \$20,304,000 per month on account of the Wage Obligations. As of the Petition Date, the Debtors estimate that they owe approximately \$13,604,000 on account of accrued and unpaid Wage Obligations, comprising (i) \$7,500,000 for Employee Wages, (ii) \$4,000 for Independent Contractor Obligations, and (iii) \$6,100,000 for Staffing Agency Obligations.

1. **Employee Wages**

22. In the ordinary course of business, the Debtors incur obligations to their Employees for wages, salaries, and other compensation (the “**Employee Wages**”).⁶ Employees are paid in arrears every other Thursday, for a pay period covering the two-week period that ended the previous Friday. Because Employees are paid in arrears, the Debtors have accrued but not yet paid certain Employee Wages as of the Petition Date. Further, Employee Wages may also be due and owing as of the Petition Date because of, among other things, potential discrepancies between amounts that the Debtors have paid and amounts that Employees believe they are owed. The

⁶ All sales-related Employees are eligible to earn and receive commissions in the ordinary course of business. These commissions are earned and paid through the Non-Insider Sales and Bonus Programs, discussed *infra* in section III.E.

reconciliation process may reveal that additional amounts are owed to such Employees. On average, the Debtors pay approximately \$14,800,000 per month on account of Employee Wages.

23. As of the Petition Date, the Debtors estimate that they owe approximately \$7,500,000 in accrued and unpaid Employee Wages. This total amount does not include amounts withheld from Employee pay for taxes, benefit contributions, garnishments, and other miscellaneous deductions, which withholdings are addressed below. The Debtors request authority, but not direction, to pay all outstanding prepetition amounts owed on account of the Employee Wages (including those owed to the Notified Employees) and to continue to make all such payments as they become due and payable postpetition in the ordinary course of business, up to the Priority Amount per Employee, except with respect to certain Paid Leave Benefits as discussed more fully in section III.K, *infra*.

2. Independent Contractor Obligations

24. From time to time, the Debtors directly contract with and pay certain Independent Contractors for critical business functions, including product installation, project augmentation, IT, engineering, construction, and customer support services. On average, the Debtors pay approximately \$4,000 per month to Independent Contractors for services rendered and for reimbursement of out-of-pocket expenses incurred by Independent Contractors (the “**Independent Contractor Obligations**”). As of the Petition Date, the Debtors estimate that they owe approximately \$4,000 in accrued and unpaid Independent Contractor Obligations. The Debtors request authority, but not direction, to pay all outstanding prepetition amounts owed on account of the Independent Contractor Obligations and to continue to make all such payments as they become due and payable postpetition in the ordinary course of business.

3. **Staffing Agency Obligations**

25. The Debtors also procure the services of temporary workers indirectly through third party staffing agencies that provide supplemental labor solutions and other critical business functions (the “**Staffing Agencies**”). For example, the Debtors use the Staffing Agencies to identify, hire, and oversee temporary workers who perform manufacturing, installation, and related operational services on the Debtors’ behalf. The Debtors make weekly or monthly payments to the Staffing Agencies, which subsequently pay the wages and benefits that they owe to temporary workers who provide services to the Debtors (all amounts paid by the Debtors to the Staffing Agencies, collectively the “**Staffing Agency Obligations**”). On average, the Debtors pay approximately \$5,500,000 per month on account of the Staffing Agency Obligations. As of the Petition Date, the Debtors estimate that they owe approximately \$6,100,000 in accrued and unpaid Staffing Agency Obligations. The Debtors request authority, but not direction, to pay all outstanding prepetition amounts incurred on account of the Staffing Agency Obligations and to continue to make all such payments as they become due and payable postpetition in the ordinary course of business.

B. Severance Obligations

26. The Debtors have historically paid discretionary severance payments to certain former employees in the ordinary course of business. The Debtors have also entered into severance agreements with former employees from time to time. As of the Petition Date, the Debtors do not believe they have any discretionary severance payments outstanding.

27. The Debtors believe it is important that they honor their severance commitments, particularly in light of the notifications of forthcoming terminations provided to the Notified Employees prior to the Petition Date and the Debtors’ need to retain Employees to provide continuity to their business. In honoring their severance commitments, the Debtors will show their

current Employees that they fulfill the promises they make to their Employees, on which the Employees have relied in contributing time and effort to the Company. The Debtors feel such assurances are invaluable to maintain and boost the morale of their Employees. Therefore, the Debtors request the authority to maintain their current practice of honoring their ordinary course severance obligations for Employee retention and morale and continue making one-time, discretionary severance payments to non-insider Employees in an amount not to exceed one month of such Employee's compensation.

C. Independent Director Compensation Obligations

28. Additionally, in the ordinary course of business, the Debtors pay fees (the **"Independent Director Compensation Obligations"**) for the services of two non-Employee independent directors of the board of Debtor Hughes Satellite Systems Corporation (the **"Independent Directors"**). The Independent Directors are paid \$40,000 per month and are also reimbursed for reasonable expenses in connection with board and committee meetings. As of the Petition Date, no amounts are due and owing on account of Independent Director Compensation Obligations. The Debtors request authority, but not direction, to continue to satisfy the Independent Director Compensation Obligations as they become due and payable postpetition in the ordinary course of business.

D. Shared Services

29. In the ordinary course of their business, the Debtors benefit from the Shared Services provided by the Shared Services providers employed by non-Debtor affiliates of the Debtors. As described above, such Shared Services Providers provide services to the Debtors and their non-Debtor affiliates pertaining to information technology, human resources, finance and accounting, cybersecurity, legal, facilities management, and executive management. The proportional costs of such Shared Services Providers are allocated to the Debtors and non-Debtor

affiliates based on quarterly LOE surveys and the Debtors record their proportionate share of such costs on their books and records. The Shared Services are critical to the Debtors' day-to-day operations and support essential functions, including payroll administration, benefits management, financial reporting, and network and cybersecurity operations. It would be enormously disruptive to the Debtors were they required to discontinue using such Shared Services. Accordingly, the Debtors request authority, but not direction, to continue to utilize the services of the Shared Services Providers and to continue to account for the Debtors' intercompany obligations with respect to employee-related Shared Services consistent with prepetition practice and without waiving the rights of the Debtors or their estates to dispute the Debtors' intercompany obligations on any grounds (including the manner with which such intercompany obligations are accounted for postpetition). For the avoidance doubt, the Debtors do not, by this Motion, seek authority to make any payment to, or reimburse, any non-Debtor affiliate for Shared Services.⁷

E. Payroll Withholding and Processing Obligations

1. Withholding Obligations and Payroll Taxes

30. During each payroll period, the Debtors routinely deduct certain amounts from Employees' pay checks, including garnishments, child support, and similar deductions as required by law. The Debtors also deduct other pre- and post-tax amounts payable under certain employee benefit plans discussed herein, such as an Employee's share of healthcare benefits and insurance premiums, contributions under voluntary benefit programs, contributions to Retirement Plans (as defined below), and other miscellaneous deductions (collectively, the "**Deductions**"). The Debtors remit the Deductions to the appropriate third-party recipients.

⁷ The Debtors reserve the right to seek such relief by separate motion or stipulation.

31. The Debtors are required by law to withhold from Employee Wages amounts related to, among other things, federal, state, and local income taxes, as well as Social Security and Medicare taxes for remittance to the appropriate federal, state, or local taxing authorities (collectively, the “**Employee Payroll Taxes**”). The Debtors must then match the Employee Payroll Taxes from their own funds on account of Social Security and Medicare taxes and pay, based on a percentage of gross payroll (subject to state-imposed limits), additional amounts for federal and state unemployment insurance and Social Security and Medicare taxes (collectively, the “**Employer Payroll Taxes**” and, together with the Employee Payroll Taxes, the “**Payroll Taxes**”⁸). The Payroll Taxes and the Deductions are collectively referred to herein as the “**Withholding Obligations.**” As of the Petition Date, the Debtors estimate that they owe approximately \$10,960,000 on account of Withholding Obligations. The Debtors request authority, but not direction, to pay or remit all outstanding prepetition amounts incurred or withheld on account of the Withholding Obligations and to continue to make all such payments or remittances as they become due and payable postpetition in the ordinary course of business.

2. Payroll Processing Fees

32. The Debtors utilize ADP to manage certain of the Debtors’ payroll-related administrative functions, including the processing and payment of certain tax obligations related to the Employee Wages, including Withholding Obligations.⁹ The Debtors also pay SAP an annual fee to utilize SAP’s enterprise resource software in connection with payroll processing. SAP and ADP are collectively referred to herein as the “**Payroll Processors**”). The Debtors pay fees to the

⁸ The Debtors generally utilize ADP, Inc. (“**ADP**”) to process the Payroll Taxes and forward the Payroll Taxes to the appropriate federal, state, and local taxing authorities in compliance with remittance intervals and deadlines established by such taxing authorities.

⁹ ADP processes Payroll Taxes for the Debtors’ Employees, and SAP America Inc. (“**SAP**”) provides payroll administration services for the Debtors’ Employees.

Payroll Processors for performing such services (the “**Payroll Processing Fees**” and, together with the Withholding Obligations, the “**Payroll Withholding and Processing Obligations**”). On average, the Debtors’ annual Payroll Processing Fees paid to ADP and SAP total approximately \$3,000 and \$5,000, respectively. As of the Petition Date, the Debtors estimate that they owe approximately \$10,000 to the Payroll Processors on account of accrued and unpaid Payroll Processing Fees. The Debtors request authority, but not direction, to pay all outstanding prepetition Payroll Processing Fees and to continue making all such payments as they become due and payable postpetition in the ordinary course of business.

F. Reimbursable Expenses and Fees

33. The Debtors routinely reimburse Employees for eligible business-related expenses incurred within the scope of their employment, including travel, lodging, transportation, meal allowances, taxi or ride-share services, and other expenses relating to the operation of the Debtors’ businesses (the “**Reimbursable Expenses**”). Employees typically pay the Reimbursable Expenses up front with their personal credit cards or with their own cash. Certain Employees have access to credit cards issued by the Debtors (the “**Corporate Credit Cards**”). Employees pay the balance of the Corporate Credit Cards and submit such payments to the Debtors for reimbursement. For the avoidance of doubt, any amounts owed to the Employees on account of the Corporate Credit Cards are included in the calculation of the Reimbursable Expenses. When Employees pay for their business-related expenses out-of-pocket, they are responsible for submitting an expense report to the Debtors through Concur Technologies Inc. (“**Concur**”). Once the Debtors determine that the charges are allowable and approved in accordance with the Debtors’ internal policies and procedures, the Debtors reimburse the Employees for such expenses promptly upon internal approval of the expense. The Debtors pay Concur monthly for their expense reimbursement

processing services (the “**Reimbursement Processing Fees**” and, together with the Reimbursable Expenses, the “**Reimbursable Expenses and Fees**”).

34. As of the Petition Date, the Debtors estimate that they owe approximately \$140,000 on account of the Reimbursable Expenses and Fees. The Debtors request authority, but not direction, to pay all outstanding prepetition amounts incurred on account of the Reimbursable Expenses and Fees and to continue to make all such payments as they become due and payable postpetition in the ordinary course of business.

G. Health and Welfare Benefits

35. The Debtors offer various health and welfare benefits to eligible Employees for, among other things, the Medical and Prescription Plan, the Dental Plans, the Vision Plans, HSA, FSA, and COBRA (each as defined below), and certain other health and welfare benefits (collectively, the “**Health and Welfare Benefits**”). The Health and Welfare Benefits are available to full-time Employees that work at least 30 hours per week. Each of the Health and Welfare Benefits is important to the maintenance of Employee welfare and morale and is therefore critical to the uninterrupted operation of the Debtors’ business. Failure to continue the Health and Welfare Benefits would force participating Employees to either forgo health benefit coverage completely or obtain potentially costly out-of-pocket insurance coverage, which would, among other things, adversely affect morale and compromise the Debtors’ ability to retain all or a substantial portion of their Employees.

36. On average, the Debtors pay approximately \$560,000 per month on account of Health and Welfare Benefits. As of the Petition Date, the Debtors estimate that they owe approximately \$624,000 on account of the Health and Welfare Benefits. These amounts—including amounts specified in paragraph 37—do not include Deductions that the Debtors withhold from Employees’ pay and remit to the appropriate third-party recipients on account of

certain Health and Welfare Benefits the cost of which is borne in whole or in part by participating Employees. Those Deductions are addressed in Section III.B, *supra*. The Debtors request authority, but not direction, to pay all outstanding prepetition amounts that the Debtors owe on account of the Health and Welfare Benefits and to continue to make all such payments as they become due and payable postpetition in the ordinary course of business.

37. The Debtors' Health and Welfare Benefits include the following plans, accounts and benefits:

- **Medical and Prescription Plan.** The Debtors offer their eligible Employees and their dependents to participate in a self-funded medical coverage program (the "**Medical Plan**") administered by UnitedHealthcare Inc. ("**UHC**"). In addition, participating Employees and their dependents are automatically provided with prescription drug coverage through CVS/Caremark ("**Prescription Drug Plan**," together with the Medical Plan, the "**Medical and Prescription Plan**"). The Debtors cover a portion of the premium owed under the Medical and Prescription Plan, while eligible Employees cover the remaining balance. The cost of the Medical and Prescription Plan can vary depending on the total number of eligible and participating Employees but, on average, the Debtors pay approximately \$360,000 per month on account of the Medical and Prescription Plan, inclusive of the Debtors' contributions and claims paid to Employees by the Debtors due to the self-funded nature of the Medical and Prescription Plan. As of the Petition Date, approximately 950 Employees (more than 74% of all Employees) participate in the Medical and Prescription Plan, and the Debtors estimate that, as of the Petition Date, they owe approximately \$400,000 on account of the Medical and Prescription Plan, inclusive of the Debtors' contributions and Employee claims payable by the Debtors. The Debtors request authority, but not direction, to pay or remit all outstanding prepetition amounts owed on account of the Medical and Prescription Plan and to continue to make all such payments as they become due and payable postpetition in the ordinary course of business.
- **Dental Plans.** The Debtors offer their eligible Employees fully insured dental insurance plans administered by UHC (the "**Dental Plans**"). The cost of Dental Plan premiums is borne by the enrolled Employees. On average, the Debtors remit approximately \$60,000 per month on account of the Dental Plans. As of the Petition Date, approximately 900 Employees participate in the Dental Plans, and the Debtors estimate that they owe approximately \$70,000 on behalf of Employees for premium payments due under the Dental Plans. The Debtors' request for authority to remit outstanding prepetition amounts withheld on

account of the Dental Plans is included in the request relating to Deductions in Section III.B, *supra*.

- **Vision Plans.** The Debtors offer their eligible Employees vision insurance plans administered by VSP Vision Care (the “**Vision Plans**”). The Vision Plans are fully insured, and the cost of Vision Plan premiums is borne by the enrolled Employees. On average, the Debtors remit approximately \$10,000 per month on account of the Vision Plans. As of the Petition Date, approximately 850 Employees participate in the Vision Plans, and the Debtors estimate that they owe approximately \$11,000 on behalf of Employees for premium payments due under the Vision Plans. The Debtors’ request for authority to remit outstanding prepetition amounts withheld on account of the Vision Plans is included in the request relating to Deductions in Section III.B, *supra*.
- **Health Savings Account.** The Debtors provide Employees that participate in the Medical Plan with the opportunity to make pre-tax contributions to a health savings account (an “**HSA**”). HSAs are administered by Optum Bank (“**Optum**”), and withholdings are remitted to Optum on a biweekly basis. Participating Employees may contribute to their HSA up to certain amounts set annually by the Internal Revenue Service, and Employees can use such contributions to pay eligible wellness-related expenses. To incentivize employees to take advantage of the tax savings associated with an HSA, the Debtors contribute up to \$520 per Employee per year to an eligible Employee’s HSA, depending on whether the Employee completes a health assessment, takes a tobacco-free pledge, an annual exam, and contributes a defined amount to their HSA. The Debtors pay or deduct approximately \$26,000 per month on account of Employee HSAs. As of the Petition Date, the Debtors estimate that they owe approximately \$28,000 on account of unpaid HSA contributions (the “**HSA Contributions**”). The Debtors request authority, but not direction, to pay all outstanding prepetition amounts owed on account of the HSAs and to continue to make all payments as they become due and payable postpetition in the ordinary course of business.
- **Flexible Spending Account.** The Debtors provide eligible Employees with the opportunity to make pre-tax contributions to a flexible spending account (an “**FSA**”)¹⁰ for certain eligible out-of-pocket health, welfare, and dependent care expenses. The FSA is administered by WEX Health, Inc. (“**WEX**”). Generally, participating Employees may elect to contribute up to \$3,400 in their FSA accounts, up to \$5,000 in the dependent care account, and up to \$340 per month for transit and \$340 per month for parking. If FSA amounts are not used within a specified timeframe, the eligible Employee forfeits the remaining amounts. On average, the Debtors deduct approximately \$20,000 per month on account of eligible Employees’ contributions to FSAs and pay approximately \$300 per month to WEX to administer FSAs. As of the Petition Date, the Debtors

¹⁰ Employees that contribute to an FSA are not eligible to contribute to an HSA.

estimate that they owe approximately \$1,000 to WEX (the “**FSA Amounts**”). The Debtors request authority, but not direction, to pay all outstanding prepetition amounts to WEX on account of the FSA Amounts and to continue to make all such payments as they become due and payable postpetition in the ordinary course of business.

- **COBRA.** The Debtors provide former Employees and their covered dependents with certain health benefits following their departure from the Debtors. More specifically, pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 (“**COBRA**”), the Debtors’ former Employees who have left, been terminated, or experienced a reduction in hours under certain circumstances (collectively, the “**COBRA Employees**”) can continue to receive benefits under the Medical and Prescription Plans, Dental Plan, and Vision Plan (the “**COBRA Benefits**”). COBRA Employees are entitled by law to continue to receive COBRA Benefits for up to eighteen months, and in some instances up to thirty-six months, from the date they separate from the Debtors or their hours are reduced. The COBRA Employees are generally responsible for the cost of all COBRA Benefits, and the Debtors pay for COBRA Benefits only if a COBRA Employee submits a claim for coverage.¹¹ The Debtors pay an average of approximately \$520 per month to their COBRA administrator, WEX, (the “**COBRA Obligations**”). As of the Petition Date, the Debtors estimate that they owe approximately \$1,000 on account of the COBRA Obligations. The Debtors request authority, but not direction, to pay all outstanding prepetition amounts owed on account of the COBRA Obligations and to continue to make all such payments as they become due and payable postpetition in the ordinary course of business.
- **Life and AD&D Insurance Plans.** The Debtors provide \$50,000 of basic life coverage for eligible Employees at no cost to the Employee (the “**Basic Life Insurance**”) provided by New York Life Insurance Company (“**New York Life**”). Employees also have the option to purchase supplemental life and accidental death or dismemberment insurance coverage (“**Supplemental Life and AD&D Insurance**,” and together with Basic Life Insurance, the “**Life and AD&D Insurance Plans**”) for themselves and their dependents through New York Life. Premiums for Supplemental Life and AD&D Insurance are fully funded by the Employee. Premiums paid by the Debtors for Basic Life Insurance can vary based upon the number of participating Employees but, on average, the Debtors pay approximately \$9,000 per month on account of the Basic Life Insurance. As of the Petition Date, the Debtors estimate that they owe approximately \$10,000 on account of the Basic Life Insurance. The Debtors request authority, but not direction, to pay all outstanding prepetition amounts incurred on account of Basic Life Insurance and to continue to make

¹¹ Payments for claims submitted by COBRA participants are encompassed under the amounts requested to be paid pursuant to the relevant Health and Welfare Benefit program for which each such participant is eligible for coverage.

all such payments as they become due and payable postpetition in the ordinary course of business.

- **Disability Benefits.** The Debtors provide eligible Employees with short-term disability benefits (the “**Employer-Provided Disability Benefits**”), including disability benefits required by federal and state law, and the ability for Employees to purchase additional disability benefits (the “**Optional Disability Benefits**,” and together with the Employer-Provided Disability Benefits, the “**Disability Benefits**”). The Debtors provide the Employer-Provided Disability Benefits to all Employees, funding 60% of the Employee’s base weekly earnings up to \$1,100 per week and beginning seven (7) days after the date on which the disability occurs, lasting until the date on which the Employee is no longer disabled or 13 weeks after disability, whichever is earlier. Employees can elect to purchase (i) additional short-term disability coverage provided by New York Life, which pays 70% of the Employee’s base weekly earnings up to \$3,500 per week and for the same 13-week period or (ii) long-term disability coverage, which pays the Employee 60% of the Employee’s base monthly earnings up to \$15,000 per month and begins 90 days after disability, lasting until the earlier of the date at which the Employee is no longer disabled or between 12 and 42 months, depending upon the Employee’s age when the disability occurs. As of the Petition Date, the Debtors owe approximately \$70,000 in connection with the Employer-Provided Disability Benefits. The Debtors request authority, but not direction, to pay all outstanding prepetition obligations related to the Employer-Provided Disability Benefits and to continue paying such obligations as they become due and payable postpetition in the ordinary course of business.
- **Employee Assistance Program.** The Debtors offer eligible Employees and their eligible dependents an employee assistance program (“**EAP**”) administered by Optum, which provides, on a confidential basis, access to certain resources and referral services for mental health and welfare services with licensed counselors, legal services, and financial services (the “**EAP Obligations**”). On average, the Debtors pay approximately \$2,300 per month on account of the EAP Obligations. As of the Petition Date, the Debtors owe approximately \$3,000 in connection with the EAP Obligations. The Debtors request authority, but not direction, to pay all outstanding prepetition amounts owed on account of the EAP Obligations and to continue to pay such obligations as they become due and payable postpetition in the ordinary course of business.
- **Additional Benefit Programs.** The Debtors also offer eligible Employees the opportunity to purchase (at their own expense) or participate in a range of general ancillary benefits, including accident coverage, critical illness coverage, hospital indemnity coverage, and identity theft and cybersecurity protection (collectively, the “**Additional Benefit Programs**”). The Additional Benefit Programs are administered by UHC and Norton Lifelock (“**Norton**”). Generally, the Debtors deduct premiums for the Additional Benefit Programs from Employee pay checks and then remit these amounts to UHC and Norton.

On average, the Debtors remit approximately \$24,000 per month to UHC and Norton in connection with the Additional Benefit Programs. As of the Petition Date, the Debtors do not owe any amounts on behalf of participating Employees in connection with the Additional Benefit Programs. The Debtors' request for authority to remit outstanding prepetition amounts withheld on account of the Additional Benefit Programs is included in the request relating to Deductions in Section III.B, *supra*.

H. Non-Insider Incentive Programs¹²

38. To encourage and reward outstanding performance, the Debtors offer, and incur obligations to, their Employees on account of various incentive programs in the ordinary course of business, including the Non-Insider Sales and Bonus Programs and the Non-Insider EIP (collectively, the “**Non-Insider Incentive Programs**”). The Non-Insider Incentive Programs are crucial to maintaining loyalty and avoiding the disruption that would likely result if certain key non-Insider Employees were to leave their positions, especially during the pendency of these chapter 11 cases. The Non-Insider Incentive Programs are therefore intended to prevent employee attrition, motivate Employees to perform, and help drive value for all stakeholders. As of the Petition Date, the Debtors estimate that they owe approximately \$200,000 on account of the Non-Insider Incentive Programs. The Debtors request authority, but not direction, to pay all outstanding prepetition amounts incurred on account of the Non-Insider Incentive Programs and to continue to make all such payments as they become due and payable postpetition in the ordinary course of business.

¹² For the avoidance of doubt, the Debtors are not requesting authority to pay any “insider” as that term is defined in section 101(31) of the Bankruptcy Code (an “**Insider**”) (a) on account of the Non-Insider Incentive Programs or (b) any amounts in excess of the Priority Amount. The Debtors reserve all rights with respect to the classification of any Employee as an Insider, and no description of any Compensation or Benefit hereunder indicating that such Compensation or Benefit covers or is made available to Insiders or non-Insiders shall be construed as an admission or concession by the Debtors that any Employee of the Debtors is an Insider. The Debtors reserve all rights to request authority to pay incentive compensation to Insiders by separate motion. The Debtors also reserve all rights to request relief that would modify, alter, or replace the Non-Insider Incentive Programs that are the subject of this Motion.

39. Non-Insider Sales and Bonus Programs. In addition to their regular pay, many non-Insider Employees are entitled to sales commissions, sales bonuses, or other incentive-based compensation linked to performance (the “**Non-Insider Sales and Bonus Programs**”). The Non-Insider Sales and Bonus Programs are tailored to reward qualifying Employees for their sales performance or to otherwise incentivize them to continue performing at a high level. Eligible Employees receive such bonuses based on performance relative to certain metrics and other terms set forth in annual bonus letters provided to eligible Employees. To receive bonuses under the Non-Insider Sales and Bonus Programs, Employees must be in good standing and be actively employed by the Debtors on the payment date. Depending on the individual Employee’s department and role, bonuses earned under the Non-Insider Sales and Bonus Programs are typically paid in cash on a biweekly or quarterly basis. Insiders are not eligible to participate in the Non-Insider Sales and Bonus Programs.

40. On average, the Debtors pay approximately \$200,000 per month in commissions and other bonus payments on account of the Non-Insider Sales and Bonus Programs. As of the Petition Date, the Debtors estimate that they owe approximately \$200,000 on account of unpaid obligations under the Non-Insider Sales and Bonus Programs. The Debtors request authority, but not direction, to pay all outstanding prepetition amounts incurred on account of the Non-Insider Sales and Bonus Programs and to continue to make all such payments as they become due and payable postpetition in the ordinary course of business.

41. Non-Insider Executive Incentive Plan. In addition to the Non-Insider Sales and Bonus Programs, the Debtors maintain an incentive program for certain non-Insider Employees (the “**Non-Insider EIP**”). The applicable performance metrics and bonus terms under the Non-Insider EIP are established by the Debtors’ Chief Executive Officer and approved by the board of

directors (the “**Board**”) of EchoStar. Bonuses paid under the Non-Insider EIP are contingent on the Employee’s performance as compared to pre-defined performance individual objectives and the Debtors’ achievements. To the extent such metrics are achieved, bonuses accrue throughout the performance period, which is the calendar year. Bonuses are paid in cash to eligible Employees in the first quarter of the following year, in the Debtors’ discretion, provided that such Employee remains employed in good standing on the payment date. In March 2026, the Debtors paid approximately \$4,110,000 under the Non-Insider EIP for the 2025 performance period. As of the Petition Date, the Debtors believe that there are no unpaid amounts outstanding under the Non-Insider EIP. The Debtors request authority, but not direction, to pay all outstanding prepetition amounts incurred on account of the Non-Insider EIP (if any) and to continue to make all such payments as they become due and payable postpetition in the ordinary course of business.

I. Stock-Related Programs

42. In addition to the Non-Insider Incentive Programs, the Debtors maintain the Employee Stock Purchase Program and Equity Grants (each as defined below and collectively, the “**Stock-Related Programs**”). Through the Stock-Related Programs, certain eligible Employees may, as applicable, purchase and/or receive grants or time-vested options to purchase Class A common stock of EchoStar (“**EchoStar Common Stock**”), the non-Debtor ultimate corporate parent of the Debtors.

43. Employee Stock Purchase Program. In the ordinary course of business, the Debtors have historically maintained a stock purchase program (the “**Employee Stock Purchase Program**”) administered by Fidelity Investments (“**Fidelity**”). The Employee Stock Purchase Program permits eligible Employees to contribute post-tax compensation of up to \$21,250 annually toward making quarterly purchases of EchoStar Common Stock at a strike price based on

the trading price on specified dates at a 15% discount. The Debtors request authority, but not direction, to continue the Employee Stock Purchase Program during the Chapter 11 Cases.

44. Equity Grants. In the ordinary course of business, the Debtors have historically granted time-vested EchoStar Common Stock options in connection with employment offers and other company programs (the “**Equity Grants**”). The EchoStar Common Stock underlying the Equity Grants is stock of EchoStar, the Debtors’ non-Debtor parent, and is not property of the Debtors’ estates. The Debtors request authority, but not direction, to continue the Equity Grants during the Chapter 11 Cases.

J. Retirement Programs

1. 401(k) Plan

45. The Debtors provide Employees the opportunity to participate in a 401(k) plan (the “**401(k) Plan**”) administered by Fidelity. The 401(k) Plan provides for pre-tax, Roth post-tax, and/or after tax salary deductions of eligible compensation up to certain limits set forth in the Internal Revenue Code (the “**401(k) Plan Withholdings**”), which the Debtors remit to Fidelity as soon as practicable after processing the applicable Employee’s withholding obligations.

46. The Debtors also match the participating Employee’s 401(k) contributions up to 50% of an Employee’s annual contribution, subject to a maximum annual matching contribution of \$5,000 per participating Employee (the “**401(k) Match Obligations**”). Employees are paid 401(k) Match Obligations quarterly. At year end, the Debtors calculate the 401(k) Match Obligations that the Debtors must pay to 401(k) Plan participants on account of such participants’ contributions during the preceding calendar year and calculate any required “true up” of the 401(k) Match Obligations. This ensures that any variation in the Employees’ quarterly contributions to the 401(k) Plan during the calendar year does not, as a consequence of the quarterly cap of \$1,250, result in the Employees’ failing to receive the full amount of the Company’s 401(k) Match

Obligation (the “**401(k) True Up**”). Employees must be employed by the Debtors as of December 31 of the plan year to be entitled to receive the 401(k) True Up payment. Because the 401(k) True Up for the 2026 calendar year is calculated by the Debtors at year end, the Debtors will not know the amount of the 401(k) True Up for the 2026 calendar year until year end. Additionally, each year Bonadio Group audits the prior year’s administration of the 401(k) Plan to ensure the financial integrity and regulatory compliance of the 401(k) Plan.

47. On average, the Debtors (i) pay approximately \$1,300,000 per quarter in 401(k) Match Obligations, (ii) deduct and remit approximately \$410,000 per month in 401(k) Plan Withholdings, and (iii) pay \$7,000 per month in administrative fees owed to the Debtors’ third-party 401(k) service providers (collectively, the “**401(k) Plan Obligations**”). As of the Petition Date, the Debtors estimate that they owe approximately \$30,000 in connection with the 401(k) Match Obligations and various administrative fees paid to Fidelity, Creative Planning, LLC, and the Bonadio Group (as auditor) (“**401(k) Fees**”). The Debtors request authority, but not direction, to pay all outstanding prepetition amounts owed on account of the 401(k) Match Obligations and 401(k) Fees and to continue to make all such payments as they become due and payable postpetition in the ordinary course of business.

2. Non-Qualified Deferred Compensation Plan

48. The Debtors maintain a non-qualified deferred compensation plan for select management-level Employees (the “**NQDCP**,” collectively with the 401(k) Plan, the “**Retirement Programs**”). The NQDCP is an unfunded plan structured to comply with the provisions of Section 409A of the Internal Revenue Code of 1986, as amended, and Treasury Regulations thereunder. Under the NQDCP, each participating Employee can defer receipt of a portion of their salary, bonus, or other specified compensation (*i.e.*, 75% of their total compensation and 100% of the bonus compensation), thereby deferring the associated income tax obligations to a later date.

Distributions to participants are made annually upon such Employee's termination of employment in up to either five installments or in lump sum payments, depending on the election of the participant, or upon the death of a participant or a change of control.

49. The NQDCP is funded by a rabbi trust,¹³ and non-Debtor EchoStar is the sponsor under the trust agreement. Because the rabbi trust assets are held by non-debtor EchoStar Corporation as sponsor, such assets are not property of the Debtors' estates within the meaning of section 541 of the Bankruptcy Code and the Debtors believe that such assets are therefore not implicated in these Chapter 11 Cases. Nonetheless, and out of an abundance of caution, the Debtors seek authority, but not direction, to continue the NQDCP in the ordinary course of business.

K. Paid Leave Benefits

50. In the ordinary course of business, the Debtors provide paid time-off ("**PTO**") to their Employees. Employees may use PTO for vacation, personal illness care (for themselves or their dependents) or any other personal matter. Generally, the rate at which PTO accrues depends on the Employee's tenure with the Debtors. For example, for each year of service, Employees accrue between 120 and 200 hours of PTO. Employees can typically carry forward up to 120 to 200 hours of unused PTO to the following year, and Employees who end their employment with the Debtors are entitled to a cash payment in lieu of their accrued but unused PTO.

51. The Debtors also provide Employees with other forms of leave, including up to 5 days of paid bereavement leave ("**Bereavement Leave**") and up to 5 days of paid civic leave for

¹³ The relevant rabbi trust was established on April 23, 2005, and is currently administered pursuant to that certain trust agreement between EchoStar Corporation and Fidelity Management Trust Company ("**Fidelity Trust**") dated July 22, 2013.

jury duty or appearing in court as a witness (“**Civic Leave**,” together with the PTO and Bereavement Leave, the “**Paid Leave Benefits**”).

52. The Paid Leave Benefits are policies that Employees have come to regularly depend on and are essential in maintaining Employee morale and minimizing Employee attrition. If accrued and unpaid Paid Leave Benefits were to be fully monetized through Employees’ separation from the Debtors, the Debtors estimate that they would owe approximately \$10,000,000 on account of Paid Leave Benefits. Payment of Paid Leave Benefits could exceed the Priority Amount to the extent an eligible Employee resigns or is terminated postpetition and his or her PTO benefits are reduced to a cash payment obligation. The prepetition portion of such cash payment, when combined with other wages and benefits, would exceed the Priority Amount for certain Employees. The Debtors submit that making these limited and contingent payments from time to time postpetition in excess of the Priority Amount is consistent with the Debtors’ historical practices and are appropriate under the circumstances. The Debtors therefore request authority, but not direction, to pay any prepetition Paid Leave Benefits (if any), to the extent such benefits are reduced to a cash payment obligation, and to continue to make any such payments as they become due and payable postpetition in the ordinary course of business.

L. Additional Fringe Benefits

53. The Debtors provide additional fringe benefits, including business travel accident insurance, employee recognition awards program, talent management programs, fitness-related benefit programs, and discounts for company services and products, among others (the “**Additional Fringe Benefits**”). As of the Petition Date, the Debtors owe approximately \$1,000 on account of Additional Fringe Benefits. The Debtors request authority, but not direction, to pay all outstanding prepetition amounts owed on account of the Additional Fringe Benefits and to

continue to make all such payments as they become due and payable postpetition in the ordinary course of business.

Basis for Relief

I. Cause Exists to Authorize the Debtors to Satisfy Prepetition Obligations to Their Workforce

A. Certain Compensation and Benefits Are Entitled to Priority Treatment

54. Sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code entitle the majority of the Compensation and Benefits to priority treatment to the extent such payments do not exceed the \$17,150 Priority Amount for each individual Employee. *See* 11 U.S.C. §§ 507(a)(4)-(5). As priority claims, the Debtors are required to pay these claims in full to confirm a chapter 11 plan. *See* 11 U.S.C. § 1129(a)(9)(B). To the extent that any member of the Workforce receives no more than the Priority Amount on account of claims entitled to priority, the relief requested herein should only affect the timing of certain payments to the Workforce and should not have any material negative impact on potential recoveries to general unsecured creditors. *Id.* Payment of the Compensation and Benefits would allow Employees (including Notified Employees) to receive money that they depend upon and will enhance value for the benefit of the Debtors, their estates, and all stakeholders. Moreover, the Debtors' Workforce is essential to the success of these chapter 11 cases, and timely payment of the Compensation and Benefits reduces the risk of Workforce attrition.

B. Withholding Obligations Are Not Property of the Estate

55. The Debtors seek authority to pay funds deducted and withheld from Employee compensation to third parties, including governmental entities. Funds withheld from Employee pay checks on another party's behalf are not property of the estate. *See* 11 U.S.C. §§ 541(b)(1), (d). Furthermore, applicable non-bankruptcy law requires the Debtors to pay such amounts to the

applicable taxing authorities and the failure to do so could result in significant liability. 26 U.S.C. §§ 6672, 7501(a); *see also In re Chabrand*, 301 B.R. 468, 475–81 (Bankr. S.D. Tex. 2003) (noting that individual officers of a company may be held personally liable for failure to pay trust fund taxes). It is therefore in the best interests of the Debtors, their estates, and all stakeholders for the Debtors to be authorized, but not directed, to pay all prepetition amounts on account of these withholding obligations.

II. The Relief Sought Herein Is a Sound Exercise of the Debtors’ Business Judgment and Is Warranted Under Sections 105(a), 363(b), and 1107 of the Bankruptcy Code

56. Section 363 of the Bankruptcy Code provides, in relevant part, that “[t]he [debtor], after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Courts in the Fifth Circuit have granted a debtor’s request to use property of the estate outside of the ordinary course of business pursuant to section 363(b) of the Bankruptcy Code upon a finding that such use is supported by sound business reasons. *See, e.g., Inst’l Creditors of Cont’l Air Lines, Inc. v. Cont’l Air Lines, Inc. (In re Cont’l Air Lines, Inc.)*, 780 F.2d 1223, 1226 (5th Cir. 1986) (“[F]or the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.”); *In re Crutcher Res. Corp.*, 72 B.R. 628, 631 (Bankr. N.D. Tex. 1987) (“A Bankruptcy Judge has considerable discretion in approving a § 363(b) sale of property of the estate other than in the ordinary course of business, but the movant must articulate some business justification for the sale.”).

57. Section 105(a) of the Bankruptcy Code provides that a court “may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of” the Bankruptcy Code, pursuant to the “doctrine of necessity.” 11 U.S.C. § 105(a). The “doctrine of necessity”

functions in a chapter 11 case as a mechanism by which the bankruptcy court can exercise its equitable power to allow payment of critical claims not explicitly authorized by the Bankruptcy Code and further supports the relief requested herein. *See In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002) (recognizing the “doctrine of necessity”). Additionally, the Debtors, operating their businesses as debtors in possession under sections 1107(a) and 1108 of the Bankruptcy Code, are fiduciaries “holding the bankruptcy estate[s] and operating the business[es] for the benefit of [their] creditors and (if the value justifies) equity owners.” *Id.* Implicit in the duties of a chapter 11 debtor in possession is the duty to “‘protect and preserve the estate, including an operating business’ going-concern value.” *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ, L.L.C.*, 273 B.R. at 497).

58. The requested relief herein (including authority to make the requested payments) is critical to the Debtors and their reorganization efforts. As an initial matter, the Debtors believe that the vast majority of their Workforce rely exclusively on their Compensation and Benefits to pay their daily living expenses and support their families. If the Debtors are not permitted to pay all unpaid prepetition Compensation and Benefits obligations and honor, as applicable, all such postpetition obligations, the Debtors’ Employees would be exposed to significant financial difficulties, among other challenges.

59. Additionally, the Debtors’ Workforce is essential to the Debtors’ businesses. Absent payment of certain prepetition obligations due to the Workforce (including the Notified Employees) and related third party service providers, the Debtors will likely experience significant turnover and instability, disruption to their businesses, and such Employees cannot be replaced without significant cost and effort that would detract from the Debtors’ attention to these chapter 11 cases. Simply put, paying the Workforce (including the Notified Employees) and related third

party service providers, including in connection with certain Non-Insider Incentive Programs, is necessary to preserve the business and stakeholder value.¹⁴

60. It is also critical that the Debtors have access to the Shared Services and the Shared Services Providers on which they rely so as to avoid disruption to the Debtors' business. As to such Shared Services and Shared Service Providers, the Debtors note that the Debtors are not, by this Motion, seeking authority to pay or reimburse any non-Debtor affiliates, merely to continue the Debtors' prepetition practice and without any rights of the Debtors' or their estates to dispute the Debtors' intercompany obligations on any grounds (including the manner with which such intercompany obligations are accounted for postpetition).

IV. The Court Should Require Financial Institutions to Honor and Process Checks and Electronic Fund Transfers

61. The Debtors have sufficient funds to pay the amounts described in this Motion in the ordinary course of business by virtue of their cash on hand and expected cash flows from ongoing business operations. Under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to an authorized payment in respect of the relief requested herein. There is minimal risk that checks or wire transfer requests that the Court has not authorized will be honored inadvertently. The Debtors request that the Court authorize and direct all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this Motion.

¹⁴ The incentive programs and related obligations of which the Debtors request approval in this Motion are in the ordinary course. The Debtors are not requesting approval to pay any such amounts to Insiders under such programs. The relief requested by the Debtors with respect to such programs therefore falls outside the scope of section 503(c) of the Bankruptcy Code.

Emergency Consideration

62. Bankruptcy Rule 6003 empowers a court to grant relief within the first twenty-one days after the Petition Date to the extent that “relief is needed to avoid immediate and irreparable harm.” Failure to receive the relief requested in this Motion during the first twenty-one days of these Chapter 11 Cases would severely disrupt the Debtors’ operations at this critical juncture. The Debtors have satisfied the “immediate and irreparable” harm standard in Bankruptcy Rule 6003 and request that the Court approve the relief requested on an emergency basis.

Waiver of Bankruptcy Rules 6004(a) and 6004(h)

63. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

Reservation of Rights

64. Notwithstanding anything to the contrary herein, nothing contained in this Motion or any action taken pursuant to any order granting the relief requested herein is intended to be or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors’ rights to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion; (e) a release, waiver, or limitation of any claim or cause of action that the Debtors have (or may have) against any creditor or interest holder; (f) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (g) a release, waiver, or limitation of any of the Debtors’ rights under the Bankruptcy Code or any other applicable law; or (h) a concession

by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to this Motion are valid and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of any such liens. If the Court grants the relief requested herein, any payment made pursuant to an order of the Court granting such relief is not intended and should not be construed as an admission as to the validity or priority of any claim or a release, waiver, or limitation of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

Notice

65. The Debtors will provide notice of this Motion to: (a) the Office of the U.S. Trustee; (b) the United States Attorney's Office for the Southern District of Texas; (c) the state attorneys general for the states in which the Debtors operate; (d) the Internal Revenue Service; (e) the United States Securities and Exchange Commission; (f) the Federal Communications Commission; (g) the indenture trustees and collateral agent in respect of: (i) the Senior Secured Notes, and (ii) the Senior Unsecured Notes; (h) counsel to the Ad Hoc Group; (i) the holders of the 30 largest unsecured claims against the Debtors; (j) the providers of the Compensation and Benefits; and (k) any party that has requested notice pursuant to Bankruptcy Rule 2002 and Bankruptcy Local Rule 9013-1(d). In light of the nature of the relief requested, no other or further notice need be provided.

[Remainder of page intentionally left blank]

The Debtors request that the Court enter the Proposed Order granting the relief requested in this Motion and such other and further relief as the Court deems appropriate under the circumstances.

August 2, 2026
Houston, Texas

Respectfully submitted,

/s/ Charles R. Koster

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*Proposed Counsel to Debtors and
Debtors-in-Possession*

Certificate of Accuracy

I certify that the foregoing statements are true and accurate to the best of my knowledge. This statement is being made pursuant to Bankruptcy Local Rule 9013-1(i).

/s/ Charles R. Koster
Charles R. Koster

Certificate of Service

I certify that on August 2, 2026, I caused a copy of the foregoing document to be served via the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Charles R. Koster
Charles R. Koster

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: Hughes Satellite Systems Corporation, <i>et al.</i>,¹ Debtors.	))))))	Chapter 11 Case No. 26-90739 (ARP) (Jointly Administered) Re: Docket No. ____
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**ORDER (I) AUTHORIZING THE DEBTORS TO (A) PAY PREPETITION WAGES,
OTHER COMPENSATION, REIMBURSABLE EXPENSES, AND CERTAIN
SEVERANCE OBLIGATIONS AND (B) CONTINUE EMPLOYEE BENEFITS
PROGRAMS, AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of the debtors and debtors in possession in the above-captioned Chapter 11 Cases (collectively, the “**Debtors**”) for entry of an order (this “**Order**”), (a) authorizing, but not directing, the Debtors to (i) pay all prepetition wages, other compensation, reimbursable expenses, and certain severance obligations, and (ii) continue certain employee benefits programs, including payment of certain prepetition obligations related thereto, in the ordinary course of business, and (b) granting related relief, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and entry of this Order being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Debtors having consented to the entry of a final order by this Court under Article III of the United States Constitution; and venue of this proceeding and the Motion in this District being proper pursuant

¹ The last four digits of Hughes Satellite Systems Corporation’s tax identification number are 7865. A complete list of each of the Debtors in these Chapter 11 Cases and the last four digits of their federal tax identification numbers may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://dm.epiq11.com/HughesSatellite>. The location of the Debtors’ corporate headquarters and the Debtors’ service address is 9601 S. Meridian Blvd., Englewood, Colorado 80112.

² Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

to 28 U.S.C. §§ 1408 and 1409; and this Court having found that due, sufficient, and proper notice of the Motion was provided under the circumstances and in accordance with the Bankruptcy Rules and the Bankruptcy Local Rules, and it appearing that no other or further notice need be provided; and upon consideration of the Motion and the First Day Declaration, and a hearing having been held to consider the relief requested in the Motion (the “**Hearing**”); and all objections to the Motion, if any, having been withdrawn, resolved, or overruled; and the relief requested in the Motion being in the best interests of the Debtors, their estates, their creditors, and all other parties in interest; and this Court having determined that the legal and factual bases set forth in the Motion and the First Day Declaration establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, IT IS HEREBY ORDERED THAT:

1. The Debtors are authorized, but not directed, to pay or otherwise satisfy any and all prepetition obligations owed on account of the Compensation and Benefits.
2. The Debtors are authorized, but not directed, to continue to pay and honor Compensation and Benefits to the Notified Employees during the Transition Period (and for any such longer period that the Notified Employees are employed by the Debtors).
3. The Debtors are authorized, but not directed, to continue, modify, and/or discontinue the Compensation and Benefits on a postpetition basis, in the ordinary course of business, in accordance with the Debtors’ prepetition policies and practices, and, in the Debtors’ discretion, to pay and honor prepetition and postpetition amounts related thereto.
4. The Debtors are authorized, but not directed, to continue to obtain Shared Services, to utilize the services of the Shared Services Providers, and to continue to account for the Debtors’ intercompany obligations with respect to the employee-related Shared Services consistent with prepetition practice; *provided that*, for the avoidance of doubt, the rights of the Debtors or their

estates to dispute the Debtors' intercompany obligations on any grounds (including the manner with which such intercompany obligations are accounted for postpetition) are reserved; *provided further that*, for the avoidance of doubt, nothing in this Order shall authorize the Debtors to make any payment to, or reimburse, any non-Debtor affiliate with respect to the provision of any Shared Services by a Shared Services Provider.

5. The Debtors are authorized, but not directed, to implement new programs, policies, and benefits, in the ordinary course of business during these Chapter 11 Cases and without need for further Court approval, subject to applicable law.

6. The Debtors shall not (i) honor any prepetition amounts related to the Compensation and Benefits to any individual that exceeds the priority amounts set forth in sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code nor (ii) pay any amounts to "insiders" of the Debtors as that term is defined in section 101(31) of the Bankruptcy Code under any bonus, incentive, or retention plan without further order of the Court; *provided*, that the Debtors may, in the ordinary course of business and consistent with historical practices, permit Employees to use Paid Leave Benefits earned prepetition and pay Employees on account of accrued but unused PTO in excess of the priority amounts set forth in sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code.

7. Nothing contained herein is intended or should be construed to create an administrative priority claim on account of the Compensation and Benefits obligations.

8. The Debtors are authorized, but not directed, to take all actions necessary to effectuate the relief granted in this Order.

9. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks issued, or to be issued, and

electronic fund transfers requested, or to be requested, by the Debtors relating to such obligations, to the extent that sufficient funds are on deposit in available funds in the applicable accounts to cover such payments. When presented for payment, all such banks and financial institutions are authorized to rely on all representations made by the Debtors with respect to which checks, drafts, wires or transfers should be honored or dishonored in accordance with this or any other order of this Court, whether any such checks, drafts, wires or transfers are dated prior to, on, or subsequent to the Petition Date, without any duty to inquire otherwise.

10. The Debtors are authorized, but not directed, to issue new postpetition checks or effect new postpetition electronic fund transfer requests, and to replace any prepetition checks or electronic fund transfer requests that are inadvertently dishonored as a consequence of these Chapter 11 Cases with respect to any prepetition amounts that are authorized to be paid in connection with the relief granted herein.

11. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

12. Notwithstanding anything to the contrary contained in the Motion or in this Order, any payment to be made hereunder, and any authorization contained herein, shall be subject to any interim and final orders, as applicable, approving the use of cash collateral and/or any postpetition debtor-in-possession financing (such orders, collectively, the “**Cash Collateral Orders**”), or authorizing the Debtors to continue their existing cash management system (such orders, collectively, the “**Cash Management Orders**”), and any budgets in connection with the Cash Collateral Orders. To the extent there is any inconsistency between the terms of the Cash Collateral Orders and the Cash Management Orders, as applicable, and any action taken or proposed to be

taken hereunder, the terms of the Cash Collateral Orders and the Cash Management Orders shall control.

13. Nothing contained in the Motion or this Order, nor any action taken pursuant thereto, nor any payment made pursuant to the authority granted thereby, is intended to be or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors' rights to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion; (e) a release, waiver, or limitation of any claim or cause of action that the Debtors have (or may have) against any creditor or interest holder; (f) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (g) a release, waiver, or limitation of any of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to this Motion are valid and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of any such liens.

14. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion, and the requirements of the Bankruptcy Rules, the Bankruptcy Local Rules, and the Procedures for Complex Cases in the Southern District of Texas are satisfied by such notice.

15. The requirements of Bankruptcy Rule 6003(a) have been satisfied.

16. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

17. Any party that accepts payments from the Debtors pursuant to this Order shall be deemed to have voluntarily submitted themselves to the jurisdiction of this Court on account of accepting payment pursuant to an order of this Court.

18. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: _____, 2026
Houston, Texas

UNITED STATES BANKRUPTCY JUDGE