



Corporate Governance Charter

as last amended by the Board of Directors on

2 April 2015



PREAMBLE

The present Charter has been adopted by the SES Board of Directors as a complement to the Company's legal and regulatory obligations, its articles of incorporation ("the Articles") and its internal regulations ("the Internal Regulations"). It has last been amended on 2 April 2015.

The primary purpose of the present charter is to consolidate the corporate governance rules and procedures applied by SES in one document, and to ensure that the Company complies with the Ten Principles of Corporate Governance adopted by the Luxembourg Stock Exchange both in letter and in spirit. As a company which is also listed on Euronext Paris, SES also intends to comply with the corporate governance rules applicable in France. The Company's annual report will include a statement explaining how it has applied these principles and confirming whether or not it has complied with the provisions thereof during the applicable accounting period.

Where the present charter deviates from the Company's Articles , the latter shall prevail.

I. The Board of Directors ("the Board")

According to article 9 of the Articles of the Company, "the Company shall be managed by the Board". The Board delegates the daily management of the Company as well as the representation of the Company in relation to this management to the Executive Committee. The Board also attributes specific tasks to various committees and/or working groups ("the Committees").

I. 1. Composition and Nomination

"The Directors shall be natural persons but need not to be shareholders." (Article 9 A) of the Articles). They are elected by the meeting of shareholders, which determines their number, their remuneration and their term of office.

The age limit of the Directors is set at 72 years. Any Director who reaches this age during his/her mandate will resign at the Annual General Meeting following this date.

The Board is composed in accordance with the provisions of Article 9 B), C) and D) of the Articles.

All members of the Executive Committee shall in principle be invited to attend all meetings of the Board.



I. 2. Independent Board members

At least one third of the Board members shall be independent Directors. Independence is defined as having no relationship of any kind as listed hereafter with the Company or Management which may impact his or her judgment:

- not having been a director for more than 12 years,
- not having been an employee or officer over the last 5 years,
- not having had a material business relationship over the last 3 years,
- not representing a significant shareholder detaining directly or indirectly over 5%.

I. 3. Powers and Duties of the Board

“The Board of Directors is vested with the broadest powers to perform all acts in the Company's interest. All powers not expressly reserved by law or by the Articles of Incorporation to the general meeting of shareholders fall within the competence of the Board.” (Article 15 of the Articles)

“The Board may grant special powers and delegate the daily management of the Company as well as the representation of the Company in relation to this management to one or several Directors, managers and other agents, shareholders or not, acting alone, jointly or in committee.” (Article 10, paragraph 1 of the Articles)

The Board appoints the members of the Executive Committee to whom it delegates the powers and duties described under section III.2. below.

The Board establishes, upon the proposal of the Executive Committee, the strategic objectives and the overall corporate plan of the Company and its subsidiaries, supervises the implementation of the general policies for the Company and in general, is responsible vis-à-vis shareholders and third parties for the management of the Company.

In particular, the Board approves, upon the proposal of the Executive Committee:

- the annual consolidated accounts of the Company and the appropriation of results,
- the Group's medium term business plan,
- the consolidated annual budget of the Company,
- the management report to be submitted to the meeting of shareholders.

In addition, the Board:

- a) authorizes any material contract that is proposed to be signed by the Company or any of its wholly controlled operating subsidiaries with a shareholder owning, directly or indirectly, at least 5% of the shares of the Company (Article 13, paragraph 2 of the Articles);
- b) approves all financial commitments resulting from transactions of the Company such as acquisitions, strategic alliances and equity participations, in each case in excess of EUR 10 million; and
- c) authorizes all financial commitments resulting from transactions of the wholly owned affiliate operating companies, such as satellite procurement including



launch vehicle and associated ground equipment, investment in real estate and equity participations, in each case in excess of EUR 10 million.

The Executive Committee may approve transactions referred to under sub paragraphs b) and c) above in the following cases: (i) intra-group transactions irrespective of the amount provided that they are consistent with the consolidated annual budget of the Company and (ii) with third parties for an amount of up to EUR 10 million per transaction. The Executive Committee shall inform the Board at its next meeting on each such transaction with third parties, it being understood that the aggregate amount for such projects can at no time be higher than EUR 30 million.

The Executive Committee may approve any external credit facilities or external guarantees, pledges, mortgages and any other encumbrances of the Company or any wholly owned affiliate for as long as the Company will not lose its investment grade rating as a result of said facility or guarantee and subject to such further restrictions as the Board may from time to time impose.

Furthermore, the Executive Committee may approve increases of up to 5% in the capital expenditure budget for a satellite procurement already approved by the Board, it being understood that the IRR for that procurement will not be reduced by more than 1 percentage point and will not fall below the benchmark minimum investment return for satellite infrastructure projects of 10%. The Executive Committee shall inform the Board at its next meeting on each such increase.

The Board determines the Company's representation on the board of SES Astra. The President and CEO of SES shall be the Chairperson of the board of SES Astra.

The Company's representation on the Boards in affiliate companies will not be remunerated.

The Board may also confer special powers upon one or more attorneys or agents of its choice (Article 10 paragraph 3 of the Articles).

I. 4. Meetings

Frequency

"The Board shall meet every time when required by the Company's business but generally once in a quarter. The Board shall further meet upon the written demand of two Directors within fifteen days following such demand." (Article 12, paragraph 1 of the Articles). Meetings must be convened in writing by the Chairperson or, in case of impediment, by one of the Vice-Chairpersons. "The notices shall be given in writing, contain the agenda and be sent at least ten days in advance..." (Article 12, paragraph 3 of the Articles).

Presence and representation

"The Board of Directors may deliberate or act validly only if the majority of the Directors are present or represented. If such quorum is not achieved at a first meeting, the Board



may validly deliberate at a second meeting whatever the number of Directors present or represented.” (Article 12, paragraph 4 of the Articles).

“... if the Chairperson so decides, any Director may participate in any meeting of the Board by conference call or other means of communications allowing all the persons taking part in the meeting to hear each other. In such case, the participation in a meeting by these means is equivalent to a participation in person to a such meeting.” (Article 12, paragraph 6 of the Articles).

Confidentiality

Unless otherwise provided for by law, the Directors, the Secretary of the Board, the members of the Executive Committee and all other persons who may attend the meetings of the Board and of its Committees must observe the confidentiality of its deliberations and votes, except with regard to reporting obligations as provided for by applicable law and regulations. Furthermore persons may not render public any confidential information.

Voting

“Any Director may act and vote at any meeting of the Board by appointing another Director. Such proxy shall be given by mail, telegram, telex or facsimile and is attached to the minutes of the meeting. However, one Director may not act as a proxy for more than one Director. The proxy shall only be valid for one meeting of the Board.” (Article 12, paragraph 5 of the Articles)

“The resolutions of the Board are passed by a simple majority of votes of the voting Directors present or represented, without considering abstentions.

Each Director, who has a direct or indirect interest contrary to the Company' s interest in a matter submitted to the approval of the Board, must inform the Board. For this purpose, an indirect opposed interest exists when a director is a director, manager or counselor in an entity which has an opposed interest. This declaration is registered with the minutes of the meeting. Such director may not vote on this matter.

The vote of the Board shall not be secret, except if the Chairperson or three Directors expressly require so. Such request does not have to be justified and may be made at any moment before the vote. The minutes shall mention such fact.” (Article 13 of the Articles).

“In case of a tie, the Chairperson shall not have a casting vote.” (Article 11 of the Articles of Incorporation).

“Written resolutions passed unanimously by all Directors have the same validity as resolutions adopted in a meeting of the Board”. (Article 12 paragraph 7 of the Articles)

I. 5. The Chairperson of the Board of Directors and the Vice-Chairpersons

The Chairperson presides over the meetings of the Board and the general meeting of shareholders. The convening notices including the agenda for such meetings shall be



given by the Chairperson after consultation with the Chairperson of the Executive Committee.

The Chairperson has further such powers and duties as conferred upon him by the Board. Towards third parties, he acts as the spokesman for the Board.

The Chairperson maintains the contact between the Company and its shareholders.

“A shareholder or a potential shareholder who envisages to acquire by whatever means, directly or indirectly, more than 20%, 33% or 50% of the Shares of the Company (a “Demanding Party”) must inform the Chairperson of the Board of the Company of such intention.

The Chairperson of the Board shall forthwith inform the Government of the envisaged acquisition which may be opposed by the Government within three months from such information should the government determine that such acquisition would be against the general public interest.

In case of no opposition from the Government, the Board shall convene an Extraordinary Meeting of Shareholders which may decide at a majority provided for in article 67-1 of the law of 10 August 1915, as amended, regarding commercial companies, to authorize the Demanding Party to acquire more than 20%, 33% or 50% of the Shares. If the Demanding Party is a shareholder of the Company, it may attend the general meeting and will be included in the count for the quorum but may not take part in the vote”. (Article 5, paragraphs 3, 4 and 5 of the Articles)

In order to prepare the meetings of the Board, meetings with different Directors (class A and B) may be held on invitation by the Chairperson.

The Chairperson acts as the interface between the Board and the Chairperson of the Executive Committee with whom he entertains for this purpose a permanent contact for information and consultation.

The Board elects a minimum of two Vice-Chairpersons, chosen from among the Directors appointed by each class of shareholders.

If the Chairperson of the Board is unavailable for a meeting, that meeting shall be chaired by the longest serving Vice-Chairperson present.

I.6. The Secretary to the Board of Directors

The Board is assisted by a Secretary designated by the Board upon proposal by the Chairperson.

The Secretary has those missions and functions as may from time to time be conferred upon him by the Board.

In particular, the Secretary shall attend the meetings of the Board. He participates in the preparation of the meetings of the Board and of the Committees and shall draw up the minutes of each meeting.



II. Board Committees

The Board may create from time to time one or several committees composed of board members and/or external persons and to which it may delegate powers and roles as appropriate. The committees shall operate in accordance with the Regulations as defined in article 9 of the Articles. In any event, the Board shall create a Nomination Committee, a Remuneration Committee and an Audit and Risk Committee (Article 10, paragraph 2 of the Articles).

A. The Chairperson's Office

1. Composition and Nomination

The Board sets up a Chairperson's Office which is composed of the Chairperson of the Board and of the Vice Chairpersons.

The Chairperson and the Chairperson of the Executive Committee shall coordinate the representation of the members of the Executive Committee, according to the agenda, at the meetings of the Chairperson's Office.

2. Powers and duties

The Chairperson's Office prepares the agenda of the Board meetings and shall allow the Vice-Chairpersons to proceed with the appropriate coordination within their respective category of Directors.

B. The Audit and Risk Committee

1. Composition and Nomination

The Board sets up an Audit and Risk Committee which is a body of elected Board members (Article 10, paragraph 2 of the Articles).

The members of the Audit and Risk Committee are designated by the Board. The Audit and Risk Committee is composed of six members, a majority of which shall be independent Directors.

The Audit and Risk Committee elects its Chairperson by simple majority.

The Secretary to the Board shall assist the Audit and Risk Committee in performing its duties.

The Audit and Risk Committee shall set up its Charter which shall be approved by the Board.



2. Powers and Duties

The role of the Audit and Risk Committee is to provide an oversight function and consultative link between the external and internal auditors and the Board. In this context, its task is limited to accounting standards and procedures.

Its mission is to assist the Board to carry out its responsibilities as they relate to corporate policies, internal control and financial and regulatory reporting practices. In particular, the Audit and Risk Committee will provide the Board with advice that corporate assets are adequately protected by the use of internal controls.

Furthermore, it shall review prior to their transmission to the Board the semi-annual and annual accounts of the Company, consolidated and non consolidated, and shall give its opinion on the changes and adaptations of the accounting principles, rules and valuation methods used by the Company in order to establish its accounts.

The Audit and Risk Committee may be seized by the Board for any question the latter may have and it may submit to the Board any suggestion which it considers useful for the implementation of its mission.

The Audit and Risk Committee has no decision power and reports to the Board on a regular basis through its Chairperson.

The **Charter of the Audit and Risk Committee** is enclosed as **Annex 1**.

3. Meetings

The Audit and Risk Committee meets upon invitation by its Chairperson at least four times a year and at any time at the request of at least two of its members.

The agenda for a meeting is set-up by its Chairperson.

The Audit and Risk Committee may only validly deliberate if a majority of its members are present or represented.

The Chairperson of the Executive Committee and the Chief Financial Officer shall be invited in principle to attend the meetings of the Audit and Risk Committee.

The Audit and Risk Committee may invite to its meetings

- the person responsible for the internal audit and risk management;
- a representative of the external auditor; and
- any other person whose presence may be seen as useful.

The Audit and Risk Committee advises on the work plans of the internal audit and may ask for any document or information it considers useful or necessary for the fulfillment of its mission.

Minutes of the meetings of the Audit and Risk Committee are established by the Secretary of the Board and approved by the members of the Committee. Copies of the



approved minutes of the meetings of the Audit and Risk Committee are forwarded to all the Directors.

C. The Remuneration Committee

1. Composition and Nomination

The Board sets up a Remuneration Committee which is a body of elected Board members (Article 10, paragraph 2 of the Articles of Incorporation).

The Remuneration Committee is designated by the Board and is composed of six members, at least a third of which shall be independent Directors. The Chairperson of the Board shall be one of the members of the Remuneration Committee.

The Remuneration Committee elects its Chairperson by simple majority.

The Remuneration Committee shall set up its Charter which shall be approved by the Board.

2. Powers and Duties

The Remuneration Committee shall have the decision power to determine the remuneration of the members of the Executive Committee and shall advise on the overall executive remuneration policies to be applied within the Group as prepared by the Executive Committee.

The Remuneration Committee reports to the Board on a regular basis through its Chairperson.

The **Charter of the Remuneration Committee** is enclosed as **Annex 2**.

3. Meetings

The Remuneration Committee meets upon invitation by its Chairperson and at any time at the request of at least two of its members.

The agenda for a meeting is set-up by its Chairperson.

The Remuneration Committee may only validly deliberate if a majority of its members are present or represented.

The Chief Executive Officer will be invited to attend the meeting. The Committee, upon notice to the Chief Executive Officer, may ask the relevant members of the Executive Committee or others to attend the meeting and provide pertinent information as necessary, except if they are personally concerned by the deliberations.

Minutes of the meetings of the Remuneration Committee are kept and approved by the members of the Committee. Copies of the approved minutes of the meetings of the Remuneration Committee are forwarded to all the Directors.



D. The Nomination Committee

1. Composition and Nomination

The Board sets up a Nomination Committee which is a body of elected Board members (Article 10, paragraph 2 of the Articles of Incorporation).

The Nomination Committee is designated by the Board and is composed of six members, at least a third of which shall be independent Directors. The Chairperson of the Board shall be one of the members of the Nomination Committee.

The Nomination Committee elects its Chairperson by simple majority.

The Nomination Committee shall set up its Charter which shall be approved by the Board.

2. Powers and Duties

The role of the Nomination Committee is to propose candidates to be submitted for election as Directors by the Meeting of Shareholders (Article 9 B of the Articles of the Incorporation). Such proposal is based on submissions from shareholders for a number of candidates at least equal to the number of posts to be filled for each class of shareholders. The Chairperson of the Nomination Committee shall receive all nominations at least ten days prior to the Meeting of Shareholders (Article 9 C of the Articles of Incorporation).

The role of the Nomination Committee also consists in proposing candidates for Executive Committee membership for election by the Board.

The Nomination Committee reports to the Board on a regular basis through its Chairperson.

The **Charter of the Nomination Committee** is enclosed as **Annex 3**.

3. Meetings

The Nomination Committee meets upon invitation by its Chairperson and at any time at the request of at least two of its members.

The agenda of a meeting is set-up by its Chairperson.

The Nomination Committee may only validly deliberate if a majority of its members are present or represented.

The Chief Executive Officer will be invited to attend the meeting. The Committee, upon notice to the Chief Executive Officer, may ask the relevant members of the Executive Committee or others to attend the meeting and provide pertinent information as necessary, except if they are personally concerned by the deliberations.



Minutes of the meetings of the Nomination Committee are kept and approved by the members of the Committee. Copies of the approved minutes of the meetings of the Nomination Committee are forwarded to all the Directors.

E. Other Committees

The Board may attribute specific tasks to various advisory committees and working groups ("Committees").

These Committees are set up under the chairpersonship of the Chairperson of the Board or a substitute designated by him.

The Chairperson of the Executive Committee as well as the relevant member(s) of the Executive Committee shall be invited to attend the meetings of the Committees.

The Secretary to the Board shall assume the secretary function of the Committees. Minutes of the meetings of the Committees are established by the Secretary of the Board and approved by the members of the Committee. Copies of the approved minutes of the meetings of the Committees are forwarded to all the Directors.

F. Miscellaneous

All decisions or recommendations to be made are taken by a majority vote of the members of the relevant Committee present or represented. Minority opinions can be reported to the Board.

The vote of the Committees shall not be secret, except if the Chairperson or two Directors expressly require so in matters where decisions have to be taken. Such request does not have to be justified and may be made at any moment before the vote. The minutes shall mention such fact.

In case the Executive Committee has a different opinion on a specific decision taken or on a recommendation made by any of the Committees, it may report its diverging opinion to the Board.

If the Chairperson so decides, any Director may participate at any meeting of the Board and any member of a body set-up by the Board may participate at a corresponding meeting of such a body by conference call or other means of communications allowing all the persons taking part in the meeting to hear each other. In such case, the participation in a meeting by these means is equivalent to a participation in person to a meeting, except with regard to the attendance fee.

III. Executive Committee

The Company has an Executive Committee responsible to the Board.

III. 1. Composition and Nomination

The following persons are members of the Executive Committee: the President and CEO who will assume the chairpersonship of the Executive Committee, the Chief Financial



Officer, the Chief Commercial Officer, the Chief Development Officer and the Chief Technology Officer.

The Board, upon proposal of the Nomination Committee, nominates the Chairperson of the Executive Committee.

The other members of the Executive Committee are nominated by the Board upon proposal by the Nomination Committee after prior consultation with the Chairperson of the Executive Committee.

III. 2. Powers and Duties

The Board delegates to the Executive Committee the daily management of the Company as well as the representation towards third parties in relation to such function.

Furthermore, the Board mandates the Executive Committee with the preparation and planning of the:

- overall policies and strategies of the Company; as well as
- decisions reaching beyond the daily management

for discussion and decision by the Board.

As indicated above, the Executive Committee may approve specific transactions for an amount up to EUR 10 million per project. The Executive Committee shall inform the Board at its next meeting on each such transaction, it being understood that the aggregate amount for such projects can at no time be higher than 30 million EUR.

In the above stated context, the Executive Committee has inter alia the following powers and duties:

- The Executive Committee shall submit to the Board via the Chairperson those measures which it deems necessary to be taken in order to meet the purposes of the Company;
- Prior to the beginning of each fiscal year, the Executive Committee shall submit through the same procedure to the Board for approval a consolidated and investment budget;
- The Executive Committee shall act upon and implement accordingly all decisions taken by the Board and by the committees specially mandated by the Board as well as all budgets approved by the Board;
- The Executive Committee gives due consideration to the guidance given by special committees constituted out of the Board;
- Notwithstanding the clause hereafter, the Executive Committee coordinates and controls the activities of the various departments and consultants of the Company.



III. 3. Sub-Delegation

The Executive Committee may - in the interest of the Company - sub delegate part of its powers and duties to its members acting individually or jointly.

The sub-delegated powers may be revoked at any time. They cease furthermore automatically if and when the functions of the person to whom such powers have been sub delegated come to an end.

Each member of the Executive Committee has the power to entrust members of the staff of the Company with various functions and duties within the limits of his own sub delegation and under his responsibility.

The Executive Committee establishes, within the limits of the operating budget, an organizational chart of the Company ("organigramme"). Such chart shall be notified to the Board.

III. 4. Chairperson of the Executive Committee

The Chairperson of the Executive Committee shall be responsible for the overall coordination of the implementation of the delegations referred to in Clause III.2 here above. In this context the Chairperson organizes the work of the Executive Committee and coordinates the activities of its members, who report directly to him.

The Chairperson shall ensure that all members of the Executive Committee commit themselves to the duties, which request their intervention. He further has the ultimate power of direction and supervision of all Company personnel.

The Chairperson shall on behalf of the Executive Committee submit to the Board monthly management reports including a financial situation of the Company (status on operating budgets and on capital investment budgets). In case of exceptional developments, specific management reports shall be issued.

In order to facilitate the implementation by the Board of its overall duty to supervise the affairs of the Company, the Chairperson of the Executive Committee shall inform on a regular basis the Chairperson of the Board. The latter shall in particular be provided with the agenda and the minutes of all meetings of the Executive Committee in due time. He may convene meetings with the Executive Committee.

III. 5. Working of the Executive Committee

The Executive Committee works as a collegial body. It is the role of the Chairperson to seek unanimity or majority agreement on all decisions to be taken.

The Executive Committee shall meet whenever the interests of the Company request a meeting and at least twice per month.

If the Chairperson so decides, any Executive Committee member may participate in any meeting by conference call or other means of communications allowing all the persons taking part in the meeting to hear each other.



Unless otherwise provided for by law, the members of the Executive Committee, the secretary of the Executive Committee and all other persons who may attend the meetings must observe the confidentiality of its deliberations and votes. Such persons may further not render public any confidential information.

IV. Shareholders

IV.1. Classes of shares

The Company has issued two classes of shares; Class-A and Class-B. Each share is entitled to one vote.

Fiduciary Depositary Receipts (FDRs) which have been issued by Banque et Caisse d'Epargne de l'Etat who holds the underlying A-shares (1 A-share for 1 FDR) are listed on the Luxembourg Stock Exchange and on Euronext Paris.

Class-A shares

Class-A shares are defined as shares held by private and institutional investors.

Class-B shares

Class-B shares are owned by the Luxembourg State and by 2 entities wholly owned by the Luxembourg State. Class-B shares have 40% of the economic rights of Class-A shares.

Restrictions on the Ownership of the Company's shares

In accordance with the Company's Articles , no shareholder of class A may hold, directly or indirectly, more than 20% (twenty per cent), 33% (thirty-three per cent) or 50% (fifty per cent) of the Company's Shares unless he has obtained prior approval from the Meeting of Shareholders in accordance with the procedure described here below. Such limit shall be calculated by taking into account the Shares of all classes held by a shareholder of Class A.

A shareholder or a potential shareholder who envisages to acquire by whatever means, directly or indirectly, more than 20%, 33% or 50% of the Shares of the Company (a "Demanding Party") must inform the Chairperson of the Board of the Company of such intention. The Chairperson of the Board will forthwith inform the Government of the envisaged acquisition which may be opposed by the Government within three months from such information should the Government determine that such acquisition would be against the general public interest.



In case of no opposition from the Government, the Board convenes an Extraordinary Meeting of Shareholders which may decide with a majority of at least two thirds of the votes of the shareholders present or represented to authorize the Demanding Party to acquire more than 20%, 33% or 50% of the Shares. If the Demanding Party is a shareholder of the Company, it may attend the general meeting and will be included in the count for the quorum but may not take part in the vote.

IV. 2. Convening of Shareholders Meetings

The Annual General Meeting of Shareholders is held on the first Thursday in April at 10.30 AM or if such day is a legal holiday, on the preceding business day. The meeting will be held at the Company's registered office, unless otherwise specified in the convening notice which shall also include the agenda of the meeting and the draft resolutions.

The convening notice shall be sent to registered shareholders at least thirty days prior to the meeting.

FDR holders shall be notified through notices in the press as well as through the two international clearing systems, Clearstream and Euroclear.

All Directors and all the members of the Executive Committee shall be invited to attend the Annual General Meeting of Shareholders.

An extraordinary meeting of shareholders may be called by the Board at any time. Upon request of shareholders holding together at least one tenth of all shares, the meeting shall be called by the Chairperson, or in the case of impediment, by one of the vice-chairpersons of the Board within thirty (30) days of the shareholders' request.

One or more shareholders holding together at least one twentieth of the share capital may (i) request that one or more items are added to the agenda of any meeting of shareholders, provided that such item is accompanied by a justification or a draft resolution to be adopted in the Meeting, or (ii) table draft resolutions for items included or to be included on the agenda of the Meeting and indicate the postal or electronic address of the sender. Such request must be addressed to the Company's registered office by registered mail at the latest the twenty-second day preceding the meeting. The Company will confirm the receipt of the request within forty-eight hours of the receipt. The Company will then, at the latest fifteen days preceding the Meeting, publish a revised agenda.



IV. 3. Attendance and Voting at Shareholders meetings

In order to be authorised to attend and to vote at any shareholders meeting, shareholders have to be recorded in the shareholders' register at the moment of the record date (the "Record Date"), which is fourteen days prior to any such meeting at 24.00 hrs.

Any shareholder who cannot attend the meeting in person may appoint a proxy who needs not to be a shareholder.

Each share is entitled to one vote.

FDR holders shall be represented at the annual general meeting of shareholders by the Fiduciary.

An FDR holder who wants to attend the meeting in person, has to be recorded as a shareholder in the share register of the Company at the Record Date. Consequently, the FDR holder has to request the conversion of FDRs into A-shares in accordance with conditions 12 and 16 of the Terms and Conditions of the Amended and Restated Fiduciary Deposit Agreement dated September 26, 2001. A copy of this document is available at the bank where the FDRs are held. No charge for conversion will be requested for natural persons who are not yet A-shareholders and who proceed to a conversion of a maximum of 10,000 FDRs into A-shares, for any such conversions requested after the publication of the convening notice but not later than the Record Date.

Any FDR holder is entitled, subject to any applicable provisions (e.g. Luxembourg Law, the Articles of Incorporation, shareholders' thresholds and Concession Agreement) to instruct the Fiduciary as proxyholder as to the exercise of the voting rights by means of a voting certificate available on request at the bank where the FDRs are held.

In order for the voting instructions to be valid, the voting certificate form must be completed and duly signed by the FDR holder or, as the case may be, the beneficial owner. Upon receipt of the voting certificate on or before the date determined by the Fiduciary with such certification and evidence as requested by the Fiduciary or by the Company, the Fiduciary shall transmit to the Company the relevant certifications and supporting evidence and the Company shall verify whether the relevant holders of FDRs or the beneficial owners thereof would qualify as an A-shareholder of the Company if in lieu of FDRs they would hold the corresponding number of A-shares.

If within eight Luxembourg business days from the receipt of such certification and supporting evidence, the Company has not notified the Fiduciary of its rejection of the request of a holder to exercise its voting rights pertaining to the A-shares underlying its FDRs, the Company shall be deemed to have accepted the relevant voting request.

After receipt of the written approval of the voting request by the Company, the Fiduciary shall vote or cause to be voted in accordance with the instructions set forth in such requests. The Fiduciary may designate and appoint authorized representatives to attend the meeting and vote on behalf of the FDR holders.



The voting instructions are deemed to be irrevocable and definitive 48 hours prior to the time for which the meeting has been convened.

If the Fiduciary has not received voting instructions from the FDR holder, the Fiduciary shall be deemed to have been instructed to vote in the manner proposed by the Board of Directors in the relevant meeting.

V. Remuneration

V. 1. Remuneration of Board members

The remuneration of the members of the Board of Directors is determined each year by the Annual General Meeting of Shareholders.

Members receive a fixed annual fee as well as a fee per Board meeting which they attend. Half of that fee will be paid if the director participates via telephone or videoconference in the meeting. Board members who sit on a Board Committee are also entitled to a fee per Committee meeting attended. A Director participating in more than one committee meeting on the same day shall receive the remuneration for one meeting only. There is no annual fee paid for being a member of any of the Committees, except for the Chairperson of the Audit and Risk Committee who receives an additional fee per year for chairing the Audit and Risk Committee.

All these fees are net of any Luxembourgish withholding taxes on directors' fees.

Board members do not receive any stock options, nor do they participate in the results of the Company.

V. 2. Remuneration of Members of the Executive Committee

The remuneration of the members of the Executive Committee is determined by the Remuneration Committee. It is composed of a fixed and a variable part. Part of the variable is paid in cash, another part in equity.

The cash part of the compensation is composed of the base salary and of a bonus. The bonus target represents between 80 and 100% of the base salary and is capped at 150% of the target. The bonus is determined on the basis of three parts: (i) financial objectives (for 50%), (ii) personal objectives (25%) and (iii) a discretionary part (25%) to be determined by the Remuneration Committee.

The equity part of the remuneration is composed of 2 different elements:

- Members of the Executive Committee take part in an Executive Stock Option Plan. The number of options allocated to a member of the Executive Committee is determined by the Remuneration Committee. The factors impacting the number of stock options allocated are a percentage of the base salary (36%), the individual performance rating, the strike price, and the Black Scholes valuation. The strike price is determined as the average of the closing price of the FDRs on the Paris Stock Exchange on the first fifteen trading days following the allocation period after the annual general meeting of shareholders. The options are vesting



- in quarters on January 1 of each of the first four years following their grant and remain exercisable until 10 years after the grant.
- Members of the Executive Committee also benefit from a long term incentive plan established by the company. This entitles them to receive a percentage of their base salary () in the form of restricted shares (18%) and performance shares (54%). Performance shares are only allocated if the compounded Economic Value Added over the vesting period exceeds the target adopted by the Remuneration Committee as well as the individual objectives over the vesting period are fully met or exceeded.

The Company's complementary pension scheme is a defined contribution scheme. The contribution for the members of the Executive Committee is linked to their base salary.

Members of the Executive Committee are entitled to a company car.

Each member of the Executive Committee is entitled to two years of base salary in case his contract is terminated without cause. If they resign they are not entitled to any compensation.

In its annual report, the Company will disclose the aggregate total gross compensation of the members of its Executive Committee split between base salary and cash bonus. The disclosure will also indicate the aggregate number of allocated stock options, restricted shares and performance shares, as well as the aggregate number of contributions into the complementary pension schemes.

VI. Share Dealings

Any Director or any employee of SES who wishes to deal in SES Securities must obtain prior permission from the Secretary to the Board of Directors. He should contact the Secretary by e-mail and send a copy of his request to deal to the Chief Financial Officer of SES.

The person will be notified as quickly as possible, but not later than twenty-four hours after having sent his request. Only after having obtained prior approval, may the person trade in SES Securities.

Any Director or any member of the Executive Committee who has dealt in SES Securities in accordance with the above-mentioned rules, needs to inform the Company Secretary within five business days of these transactions.

The Company will forward the information to the CSSF and the AMF. The information will also be disclosed in a specific section of the Company's website (under "Corporate Governance - Management Disclosures"), where it will be kept for at least 3 months.

The same information shall be provided in respect of any dealings in the Company's shares involving a person closely associated with the Director, such as their spouse, their dependent children as well as other relatives who have shared the same household than the Director for at least one year on the date of the transaction concerned.



No Director shall deal in the Company's Securities during a closed period. The closed periods for each year shall be determined by the Executive Committee at the beginning of each calendar year and published on the Company's website.

Prior to the commencement of each closed period, the Secretary will inform the Directors and employees of the Company of the exact timing of such closed period.

Furthermore a Director must not deal in any of the Company's Securities when in possession of unpublished price sensitive information or when he/she has not obtained clearance from the Secretary.

The detailed rules on how to deal in the Company's Securities are included in a specific Dealing Code.

VII. Risk Management

The Board of Directors has overall responsibility for ensuring that the SES Group maintains a sound system of internal controls, including financial, operational and compliance controls and appropriate risk management.

The internal control and risk management procedures are designed to ensure :

- that operations are performed efficiently and achieve effective results;
- the integrity and reliability of financial information, both for internal and external use;
- that assets are safeguarded; and
- that actions and decisions are in compliance with applicable laws, regulations, standards internal rules and contracts.

The Board of Directors has delegated the design, implementation and maintenance of a rigorous and effective system of internal controls and risk management to the Executive Committee of SES.

The Internal Audit function evaluates the relevance of, and the compliance with, internal control and risk management procedures.

Under its charter, which has been adopted by the Audit and Risk Committee, the Internal Audit function reports to the President and CEO of SES, but it may also report directly to the Audit and Risk Committee.

The activities of the Internal Audit function are executed in accordance with an annual audit plan which is reviewed and approved by the Audit and Risk Committee. This annual plan is derived from a three-year strategic audit plan established using a risk assessment methodology based on a risk mapping exercise. This exercise involves identifying the inherent risks relative to all business processes and then assessing the levels of residual risks after consideration of specific mitigating controls.



Internal Audit monitors the implementation of internal control and risk management recommendations and regularly reports on effective compliance to the President and CEO of SES and to the Audit and Risk Committee.

Internal Audit also regularly coordinates audit planning and exchanges relevant information with the Group's external auditors.

The external auditors are elected by the Annual General Meeting of shareholders for periods of one year.