

## Corporate governance

### SES shareholders<sup>1</sup>

	Number of shares	% Voting shareholding	% Economic participation
<b>A shares</b>			
Sofina Group	18,800,000	3.76%	4.70%
Luxempart S.A.	11,538,264	2.31%	2.89%
Santander Telecommunications S.A.	10,000,000	2.00%	2.50%
Other shareholders	9,418,587	1.89%	2.36%
BCEE FDRs (Free float)	283,228,279	56.70%	70.88%
<b>Total A shares</b>	<b>332,985,130</b>	<b>66.66%</b>	<b>83.33%</b>
<b>B shares</b>			
BCEE	54,336,756	10.88%	5.44%
SNCI	54,329,979	10.88%	5.44%
Etat du Grand-Duché de Luxembourg	57,825,830	11.58%	5.79%
<b>Total B shares<sup>2</sup></b>	<b>166,492,565</b>	<b>33.33%<sup>3</sup></b>	<b>16.67%</b>
<b>Total</b>			
<b>Total shares (actual)</b>	<b>499,477,695</b>	<b>100%</b>	<b>100%</b>
<b>Total shares (economic)</b>	<b>399,582,156</b>		

<sup>1</sup>Significant shareholdings as of March 3, 2009.

<sup>2</sup>A share of Class B carries 40% of the economic rights of an A share.

<sup>3</sup>These figures have been rounded up to the second decimal, as a result of which the Class B shareholders appear to hold a total of 33.34% of the voting interest in the company. The actual total voting interest of the Class B shareholders is, however, one-third.

### Chairman's report on corporate governance and internal control procedures

#### Introduction

SES is listed on both the Luxembourg Stock Exchange and on Euronext Paris. As such the company follows both the 'Ten Principles of Corporate Governance' adopted by the Luxembourg Stock Exchange (its home market) and the governance rules applied by companies listed in Paris (where most of the trading in SES FDRs takes place). Where those rules conflict, e.g. with regard to the publication of the individual remuneration of the members of its Executive Committee, SES follows the rules of its home stock exchange by reporting the aggregate amount of the direct and indirect remuneration of the members of the Executive Committee, with the fixed and the variable components of the benefits being separately identified.

SES meets all the recommendations made by the "Ten Principles" except two. With regard to Recommendation 3.9 stating that any of the committees created by the board should only have advisory powers, the SES board has delegated some decision-making power to the Remuneration Committee. For the full details of these powers, see the charter of the Remuneration Committee on the SES website ([www.ses.com](http://www.ses.com)).

SES does not follow Recommendation 10.7 either. Under this recommendation any shareholder who holds at least 5% of the company's shares should be able to submit proposals to the board concerning the agenda of the annual general meeting, whereas SES follows the Luxembourg law in this respect, granting such right to any shareholder who holds at least 10% of the SES shares. As no registered shareholder currently holds more than 5%, but less than 10% of the SES shares, this discrepancy between the SES articles of incorporation and Recommendation 10.7 is not considered material.

Over the past few years, the company has continuously increased the flow of information towards its shareholders, mainly via its website.

In this context, the section on corporate governance contains a constantly updated stream of information such as the latest version of the company's main governance documents, be it the articles of incorporation, the corporate governance charter (including the charters of the various committees set up by the board) or the separate sections on the composition and the mission of the board, the board's committees and the Executive Committee.

#### Organisation principles

Created on March 16, 2001, SES is incorporated in Luxembourg. Following the completion of the acquisition of GE Americom on November 9, 2001, SES became the parent company of SES ASTRA, originally created in 1985. The Board of Directors approved a set of internal regulations to complement the legal and regulatory obligations, as well as the articles of incorporation of SES. A copy of SES' articles of incorporation, as amended most recently on June 26, 2008 is available on the company's website.

#### The annual general meeting of shareholders

Under Luxembourg company law, the company's annual or extraordinary general meetings represent the entire body of shareholders of the company. They have the widest powers, and resolutions passed by such meetings are binding upon all shareholders, whether absent, abstaining from voting or voting against the resolutions.

The meetings are presided by the Chairman or, in case of his absence, by one of the Vice Chairmen of the Board or, in their absence, by any other person hereto appointed by the meeting.

Any shareholder who is recorded in the company's shareholder register at least eight business days before the meeting is authorised to attend and to vote at the meeting. A shareholder may act at any meeting by appointing a proxy who does not need to be a shareholder.

The company has issued two classes of shares: Class A and Class B shares.

Although they constitute separate classes of shares, Class A and Class B shares have the same rights except that the shares of Class B, held by the State of Luxembourg and by two entities wholly owned by the State of Luxembourg, entitle their holders to 40% of the dividend, or in case the company would be dissolved, to 40% of the net liquidation proceeds, paid to shareholders of Class A. Class B shares are not freely traded.

Each share, whether of Class A or B, is entitled to one vote. In accordance with the company's articles of incorporation, no shareholder of Class A may hold, directly or indirectly, more than 20%, 33% or 50% of the company's shares, unless it has obtained prior approval from the meeting of the shareholders. Such limit is calculated by taking into account the shares of all classes held by a shareholder of Class A.

A shareholder or a potential shareholder which envisages to acquire by whatever means, directly or indirectly, more than 20%, 33% or 50% of the shares of the company must inform the Chairman of the Board of such intention. The Chairman will then inform the government of Luxembourg of the envisaged acquisition which may be opposed by the government within three months from such information, should the government determine that such acquisition is 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 August 10, 1915, as amended, regarding commercial companies, to authorize the demanding party to acquire more than 20%, 33% or 50% of the shares.

Each registered shareholder will receive written notice of the annual general meeting, including the time of the meeting, the agenda, as well as the draft resolutions which will be proposed for approval to the meeting, by registered mail at least 20 days prior to the meeting. At the same time, he will receive a copy of the annual accounts and the consolidated accounts, including the balance sheets and the income statements of the company.

Holders of the company's FDRs will be represented at the meeting by Banque et Caisse d'Epargne de l'Etat acting as Fiduciary. Each FDR will represent one Class A share. If a holder of FDRs wants to attend the annual general meeting of shareholders in person, he needs to convert at least one FDR into an A share. In order to facilitate the attendance of the meeting by FDR holders, the company will support the applicable charge for a conversion of up to 10,000 FDRs in the period prior to the annual general meeting.

Notice of the meeting and of the proposed agenda will be given in the press. The Fiduciary will circulate the draft resolutions to both international clearing systems, allowing FDR holders to give their voting instructions to the Fiduciary in time for the meeting. At the same time, the draft resolutions will be made available on the company's website. Unless the Fiduciary has received specific instructions, the Fiduciary will vote in favour of the proposals submitted by the board.

The meeting may deliberate validly only if at least half of the shares of Class A and at least half of the shares of Class B are represented. In the event that the required quorum is not reached, the meeting will be reconvened in accordance with the form prescribed by the articles of incorporation. It may then validly deliberate without consideration of the number of represented shares.

All the resolutions of the meeting are adopted by a simple majority vote except if otherwise provided for by law.

The annual general meeting of shareholders is held on the first Thursday in April at 10.30 am. The meeting held in April 2008 was attended by 98.90% of the company's shareholders. However, the 29,275,632 FDRs held by SES did not participate in the vote, reducing the participation in the vote to 93.41% of the company's shares.

At the April 3, 2008 annual general meeting, the SES board was renewed for three years. The shareholders elected the 17 candidates which had been proposed on the basis of a recommendation from the SES Nomination Committee. The candidate who had not been endorsed by the Nomination Committee was not elected. The only new member of the board is Ms Bridget Cosgrave. She received an induction by management on the company's business, as well as on the corporate governance aspects, before she attended her first meeting.

The shareholders further approved the 2007 financial results and the allocation of the 2007 profits, granted discharge to the external auditor and the directors, elected Ernst & Young as the company's external auditor for another year, granted an authorization to SES to buy back its own shares and approved an increase in the directors' fees.

During 2008, SES held one extraordinary general meeting of shareholders at the company's registered office at Château de Betzdorf in the Grand Duchy of Luxembourg on June 26. Attended by 99.95% of the company's shareholders, the main purpose of the meeting was the cancellation of shares of Class A and B bought back by the company under its share buyback programmes. The second resolution related to the amendment of the company's share capital in article 4 of the SES articles of incorporation as it resulted from the cancellation of the own shares held by the company. Both resolutions were carried by 100% of the votes expressed during the meeting.

Copies of the minutes of both shareholder meetings as well as the information on the detailed number of the votes expressed during these meetings are available on the company's website.

### The Board of Directors and its committees

#### Mission

The Board of Directors is responsible for defining the company's strategic objectives as well as its overall corporate plan. The board approves, upon proposal from 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, and the management report to be submitted to the meeting of shareholders. It also approves major investments and is responsible vis-à-vis shareholders and third parties for the management of the company, which it delegates to the Executive Committee.

#### Composition

Following its election by the shareholders in April 2008, the board of SES is composed of 17 directors, all of them non-executive directors. In accordance with the company's articles of association, 11 board members represent holders of Class A shares and FDRs and six board members represent holders of Class B shares. The mandates of the current directors will expire at the annual general meeting of shareholders in April 2011. The Chairman of the Board of Directors, René Steichen, was elected by the members of the board in its meeting on April 3, 2008 which followed the annual general meeting. René Steichen is currently assisted by two Vice Chairmen, François Tesch and Jean-Paul Zens, each one elected on the basis of proposals submitted by directors representing shareholders of Class A and of Class B.

In the event of a vacancy in the board, the remaining directors may, upon a proposal from the Nomination Committee and on a temporary basis, fill such a vacancy by a majority vote. In this case, the next annual general meeting of shareholders will definitively elect the new director who will complete the term of the director whose seat became vacant. There is currently no vacancy on the board of SES.

In accordance with internal regulations, at least one third of the board members must be independent directors. A board member is considered independent if he has no relationship of any kind with the company or management, which may impact his judgment. This is defined as:

- not having been a director for more than 12 years;
- not having been an employee or officer of the company over the last five years;
- not having had a material business relationship with the company in the last three years; and
- not representing a significant shareholder owning directly or indirectly more than 5% of the company's shares.

Ten of the 17 board members are considered independent: Ms Bridget Cosgrave and Messrs Marcus Bicknell, Hadelin de Liedekerke Beaufort, Jacques Espinasse, Robert W. Ross, Christian Schaack, Terry Seddon, Marc Speeckaert, Gerd Tenzer and François Tesch.

### Rules of functioning

The Board of Directors meets when required by the company's business, and at least once in a quarter. It can only validly deliberate if a majority of the directors are present or represented. The resolutions of the board are passed by a simple majority of votes of the voting directors present or represented, not considering abstentions. 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 is subject to a prior authorisation by the board. The board thus approved the participation by the B-shareholders in the company's share buyback programmes, which was necessary for the company in order to cancel the shares it has bought back.

### Activities of the Board of Directors in 2008

The Board of Directors held six meetings in 2008, with an average attendance rate of more than 92%, each director having attended at least four of the six board meetings. Upon endorsement by the Audit Committee, the board approved the 2007 audited accounts, including the proposed dividend as well as the results for the first half of 2008. During 2008, the board approved a new strategic plan as well as a business plan for the period 2008–2015 which served as the basis for the 2009 budget discussed by the board in December.

Following its election on April 3 2008, the board elected its representatives on the boards of SES ASTRA and SES ASTRA Services Europe as well as on the SES AMERICOM/NEW SKIES Shareholder Committee. It also elected six of its members to the Audit, Remuneration and Nomination Committees, in line with the respective governance charters of these committees.

During 2008, the board decided to launch two share buyback programmes, the first of which was approved by the board on April 3 and implemented on Euronext Paris through the filing of a notice d'information on April 8. It ended with the cancellation of 22,597,140 A- and 11,298,570 B-shares in an extraordinary general meeting of shareholders on June 26 in the presence of Notary Me Joëlle Baden. The shareholders having approved another share buyback programme during the same meeting, the board decided to implement the new programme in its meeting of the same day. The notice of this buyback programme was filed on July 4.

In both cases the four objectives of the buyback programme were the following:

- for the company's executive stock option plan;
- within the framework of a liquidity contract signed with Banque Rothschild & Cie;
- for cancellation, as well as
- for a possible external transaction.

Weekly notices on the shares bought by the company are filed with the regulatory authorities in Luxembourg and in France and are posted on the SES website.

During the year 2008, the board approved the procurement of several new satellites including AMC-1R, ASTRA 1N and SIRIUS 5.

The board decided to modify the business plan of *entavio*, and to exit from IP-PRIME. It approved the CHIRP Research and Development Program, which will add a passive infra-red sensor for scientific experiments on an AMERICOM replacement satellite, and the EGNOS payload on SIRIUS 5.

The board ratified the resignation of Ed Horowitz as President and CEO of SES AMERICOM and approved the creation of a joint SES AMERICOM/NEW SKIES management team, as well as of a Special Shareholder Committee to advise the SES AMERICOM/NEW SKIES management. Changes to the SES internal regulations were approved and a new share ownership programme, under which the members of the Executive Committee have five years to hold the equivalent of their yearly salary in the form of registered shares, was introduced. The President and CEO of SES will need to hold two years' worth of base salary in registered shares.

Finally, the board approved an extraordinary dividend distribution/capital reduction by SES ASTRA and SES AMERICOM and upon a proposal from the Remuneration Committee, it modified the Long Term Incentive Plan for the company's management.

The board was regularly informed by the Executive Committee on the group's activities and financial situation. At each meeting, the Executive Committee briefs the board on ongoing matters as well as on possible upcoming investment or divestment decisions. At each board meeting, the chairmen of the three committees set up by the board present a report on the latest developments discussed in these respective committees. In addition, a business report is distributed to the members of the board on a monthly basis.

No self-evaluation exercise was conducted by the board. Following the one held in 2007, a new self-evaluation of the Board's composition, work and functioning is planned in 2009.

Following their election by the shareholders in the annual general meeting on April 3, 2008, the members of the Board of Directors are:

### René Steichen

Born November 27, 1942. Mr Steichen became a director on June 1, 1995. He was elected Chairman on April 15, 1996. Prior to that time, he was a member of the Luxembourg government (1984–1993) and member of the European Commission (1993–1995). He is currently an attorney at law in Luxembourg. He is also a member of the Board of Directors of SES ASTRA, SES ASTRA Services Europe, the Special Shareholder Committee of SES AMERICOM/NEW SKIES, Dexia-Banque Internationale à Luxembourg, CLT Group and Luxempart. Mr Steichen studied law and political science in Aix-en-Provence and Paris. He holds a doctorate in law and also earned the final degree in economics and finance from the Institut d'Etudes Politiques of Paris. Mr Steichen is the Chairman of the Board as well as of the company's Nomination and Remuneration Committees.

Mr Steichen is not an independent director because he represents an important shareholder.

### François Tesch

Born January 16, 1951. Mr Tesch became director on April 15, 1999. He is also Managing Director of Foyer S.A. and Luxempart. Mr Tesch sits also on the Board of Directors of the non-listed corporation BNP Paribas Luxembourg. He graduated in economics from the Faculté d'Aix-en-Provence and holds an MBA from INSEAD (Institut Européen d'Administration des Affaires). Mr Tesch is Vice Chairman of the board of SES and a member of its Audit Committee.

Mr Tesch is an independent director.

## Corporate governance

### Continued

#### Jean-Paul Zens

Born January 8, 1953. Mr Zens became a director on May 7, 2002, and was elected Vice Chairman on the same date. Mr Zens is also a member of the Board of Directors of SES ASTRA, SES ASTRA Services Europe, the Special Shareholder Committee of SES AMERICOM/NEW SKIES, and Entreprise des Postes et Télécommunications, Luxembourg. He is currently Director of the Media and Communications department of the Ministry of State in Luxembourg. He holds a law degree as well as a degree in psychology and communications sciences from the University of Strasbourg. Mr Zens is a member of the Nomination Committee of SES.

Mr Zens is not an independent director because he represents an important shareholder.

#### Marcus Bicknell

Born February 28, 1948. Mr Bicknell was appointed to the Board of Directors of SES on May 6, 2005. Mr Bicknell is a director of New Media Foundry Ltd and RainWater Harvesting Ltd, non-listed companies in the United Kingdom, and a board member of the U.K. chapter of the Society of Satellite Professionals International. From 1986 to 1990 he was Commercial Director of Société Européenne des Satellites. Mr Bicknell holds an MA Honours Degree in Physical Anthropology from Cambridge University. Mr Bicknell is a member of both the Remuneration and the Nomination Committees.

Mr Bicknell is an independent director.

#### Bridget Cosgrave

Born July 1, 1961. Ms Cosgrave became a director on April 3, 2008. She is a director of Essilor International S.A., which is listed on the Euronext Paris. She is also a member of the Board of Directors of SES ASTRA, SES ASTRA Services Europe and the Special Shareholder Committee of SES AMERICOM/NEW SKIES. Ms Cosgrave was with Belgacom S.A. from 2001-2007 as a member of the Executive Committee. Her roles included Executive Vice President of the Enterprise division, Chairman of the International Carrier Services division, and board member of Belgacom Mobile (Proximus) and Telindus Group. Ms Cosgrave holds an MBA from London Business School and a BA (Hons) in Economics & History from Queen's University in Canada.

Ms Cosgrave is an independent director.

#### Hadelin de Liedekerke Beaufort

Born April 29, 1955. Mr de Liedekerke Beaufort became a director on April 17, 2000. He is currently a director of Santander Telecommunications, a privately held company, as well as a director of other private companies with interests in various fields such as financial, communication and real estate developments. Mr de Liedekerke Beaufort graduated from the Ecole Hôtelière de Lausanne. Mr de Liedekerke Beaufort is a member of both the Remuneration and the Nomination Committees of SES.

Mr de Liedekerke Beaufort is an independent director.

#### Jacques Espinasse

Born May 12, 1943. Mr Espinasse has been appointed a director of SES by the annual general meeting of May 6, 2005. In May 2007, after five years of duty, he retired as a member of the Management Board and Chief Financial Officer of Vivendi Universal. Mr Espinasse is the former Chief Operations Officer of TPS. He is a member of the Supervisory Boards of Maroc Telecom, LBPAM, Axa Belgium, Axa Holdings Belgium and Hammerson Plc and holds a BBA and an MBA from the University of Michigan. Mr Espinasse is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Mr Espinasse is an independent director.

#### Jean-Claude Finck

Born January 22, 1956. Mr Finck became a director on May 31, 2001. Mr Finck is Chief Executive Officer of Banque et Caisse d'Epargne de l'Etat, a member of the Boards of Directors of Bourse de Luxembourg, Luxair, Cargolux, insurance companies La Luxembourgeoise, La Luxembourgeoise Vie, Paul Wurth and of Compagnie de Banque Privée. Mr Finck graduated with a degree in economics from the University of Aix/Marseille. Mr Finck is a member of the Remuneration Committee and of the Audit Committee of SES.

Mr Finck is not an independent director because he represents an important shareholder.

#### Gaston Reinesch

Born May 17, 1958. Mr Reinesch became a director on July 1, 1998. Mr Reinesch is invited Professor at the University of Luxembourg. He is Chairman of the Société Nationale de Crédit et d'Investissement, and of the Board of Directors of Entreprise des Postes et Télécommunications and of BGL. He is also, among others, a member of the Board of Directors of Cegedel, Banque et Caisse d'Epargne de l'Etat and the European Investment Bank. Mr Reinesch is General Administrator of the Ministry of Finance, Luxembourg, and graduated with a Master of Science in economics from the London School of Economics. Mr Reinesch is a member of the Audit Committee of SES.

Mr Reinesch is not an independent director because he represents an important shareholder.

#### Victor Rod

Born April 26, 1950. Mr Rod became a director on November 23, 1995. He is President of Commissariat aux Assurances and Chairman of the Board of Directors of Banque et Caisse d'Epargne de l'Etat, Luxembourg. Mr Rod graduated with a degree in law from the University of Nancy.

Mr Rod is not an independent director because he represents an important shareholder.

**Robert W. Ross**

Born January 8, 1941, Mr Ross became a director of SES on June 28, 2007. He has had a long career in the field of media and telecommunications in which he has held senior executive and director positions. He retired as CEO of New Skies in January 2002 but continued to serve as advisor to the company until July 2004. He is a member of the Special Shareholder Committee of SES AMERICOM/NEW SKIES. Mr Ross graduated from Brown University and holds MA and JD degrees from Boston University in the United States.

Mr Ross is an independent director.

**Luis Sanchez-Merlo**

Born October 10, 1947. Mr Sanchez-Merlo became a director on April 17, 2000. Mr Sanchez-Merlo is the Chairman of the Board of ASTRA Iberica S.A. and Lantana Capital S.A., as well as a member of the board of Abantia SA. Mr Sanchez-Merlo graduated with a degree in law and economics from the Universidad Comercial de Deusto. He also holds a Master's in law from the College of Europe and a Master's in economics from the University of Louvain.

Mr Sanchez-Merlo is not an independent director because he has a material relationship with the company.

**Christian Schaack**

Born March 21, 1958. Mr Schaack became a director on December 7, 2000. Mr Schaack is Managing Director of BGL. He sits on the Board of Directors of BIP Investment Partners and Fortis Bank Turkey. Mr Schaack graduated from the Massachusetts Institute of Technology with a PhD in Operations Research and an SM in Management. He holds an Engineering degree from Ecole Polytechnique in Paris.

Mr Schaack is an independent director.

**Georges Schmit**

Born April 19, 1953. Mr Schmit became a director on November 12, 1992. He served as Vice Chairman from May 31, 2001 to May 6, 2002. Mr Schmit is Director General for Enterprise, Economic development and Foreign trade at the Ministry of the Economy and Foreign Trade, Luxembourg. He is Vice Chairman and member of the Executive Committee of National Credit and Investment Corporation and Vice Chairman of Entreprise des Postes et Télécommunications, Luxembourg. He is also a director of ArcelorMittal, Banque et Caisse d'Epargne de l'Etat, Luxembourg, Paul Wurth and CTI Systems. Mr Schmit graduated with a degree in economics from the University of Louvain and an MA in Economics from the University of Michigan.

Mr Schmit is not an independent director because he represents an important shareholder.

**Marc Speeckaert**

Born May 23, 1951. Mr Speeckaert is the General Manager of Sofina S.A. and a director of several non-listed corporations as well as of Rapala which is listed on the Helsinki Stock Exchange and of Carbone Lorraine, listed on Euronext Paris. Mr Speeckaert graduated with a degree in Applied Economics and holds a Master in Business and Administration from the Université Catholique de Louvain (UCL). He also holds an Advanced Management Program from Wharton, University of Pennsylvania (USA). Mr Speeckaert is the Chairman of the Audit Committee.

Mr Speeckaert is an independent director.

**Terry Seddon**

Born February 14, 1941. Mr Seddon joined the Board of Directors of SES in 2005. He is a member of the Special Shareholder Committee of SES AMERICOM/NEW SKIES. He has had a long international career in the field of telecommunications, in which he held several senior executive and director positions. More recently he was Chairman of New Skies Satellites Ltd and was the founding CEO of AsiaSat. He has also held several non-executive directorships of U.K. manufacturing and operating companies. Mr Seddon graduated from Blackburn Polytechnic and Leeds University of the U.K. Mr Seddon is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Mr Seddon is an independent director.

**Gerd Tenzer**

Born August 4, 1943. Mr Tenzer became a director on March 11, 1999, and was Vice Chairman from May 2002 until April 2006. From January 1990 to November 2002, Mr Tenzer was a member of the Board of Management of Deutsche Telekom AG where he was responsible for networks, purchasing, environmental protection, wholesale services for carriers, broadband cable and broadcasting services. He was special adviser to the CEO of Deutsche Telekom AG from December 2002 until December 2004. He also sits on the Board of SES ASTRA and of SES ASTRA Services Europe in Luxembourg. He is Chairman of the Advisory Board of Sutter Verzeichnisverlag GmbH&Co.KG in Germany and member of the Board of Transmode Holding AB in Stockholm. Mr Tenzer graduated with a degree in Communications Engineering (Dipl. Ing.) from the Technical University in Aachen.

Mr Tenzer is an independent director.

## Corporate governance

### Continued

#### Committees of the Board of Directors

##### *The Chairman's Office*

The Chairman and the two Vice Chairmen are members of the Chairman's Office. The Chairman's Office prepares the agenda for the board meetings, allowing the Vice Chairmen to coordinate the preparation of the board meetings with the directors of their share class.

Current members are:

René Steichen  
François Tesch  
Jean-Paul Zens.

The Chairman's Office met six times during 2008 with a members' attendance rate of 100%.

##### *The Remuneration Committee*

In accordance with general corporate governance standards, the company's board established a Remuneration Committee which determines the remuneration of the members of the Executive Committee, and which advises on the overall remuneration policies applied throughout the company. It reports to the board at each meeting through its Chairman. Following its election on April 3, 2008, the Remuneration Committee is composed of the following six members, a majority of whom are independent board members in line with the SES internal regulations:

René Steichen  
Marcus Bicknell (independent)  
Jacques Espinasse (independent)  
Hadelin de Liedekerke Beaufort (independent)  
Jean-Claude Finck  
Terry Seddon (independent).

The Remuneration Committee was chaired in 2008 by the Chairman of the Board.

The Remuneration Committee held four meetings with an attendance rate of 100%. Matters addressed related to the determination of the 2008 stock option grant and the 2008 bonus for members of the Executive Committee. The Remuneration Committee further determined the number of performance shares allocated to the members of the Executive Committee for their performance in 2007 and it adopted the 2008 business objectives which are used as one element in the determination of their bonus for 2008. The Remuneration Committee received a presentation on the SES remuneration philosophy, and decided to re-balance the weight of stock options, restricted shares and performance shares and to extend the attribution of the performance shares to all executives. The Remuneration Committee also proposed to the Board to align the long-term interest of the Executive Committee members with the shareholders' interest by introducing a new scheme under which the members of the Executive Committee must within five years hold the equivalent of an annual salary's worth of registered shares in the company (with the President and CEO of SES having to hold shares worth two years of his salary).

##### *The Audit Committee*

As part of its overall corporate governance, the board established an Audit Committee, which assists the board in carrying out its responsibilities in relation to corporate policies, internal control, and financial and regulatory reporting practices. The Committee has an oversight function and provides a link between the internal and external auditors and the board. The Audit Committee is composed of six members, four of whom are independent board members.

The current members of the Audit Committee are:

Marc Speeckaert, Chairman of the Audit Committee, (independent)  
Jacques Espinasse (independent)  
Jean-Claude Finck  
Gaston Reinesch  
Terry Seddon (independent)  
François Tesch (independent).

The Audit Committee held four meetings with a members' attendance rate of 96%.

The meetings were dedicated in particular to the review of the 2007 financial results before their submission to the board and their subsequent approval by the shareholders at the statutory annual general meeting, and to the results of the first half of 2008. Members of the board also had the opportunity to channel any comments they had on the company's quarterly results through the Chairman of the Audit Committee prior to the publication of these results.

The Audit Committee reviewed the company's statement on internal control systems prior to its inclusion in the annual report, as well as the Internal Audit budget. It approved the Internal Audit plan and amended the Internal Audit Charter, taking into account the results from the previous year's external quality assessment of the Internal Audit function.

The Audit Committee also discussed the group credit policy, and received updates on the project to introduce a corporate database containing essential corporate data on each of the group's companies. It discussed the project to eliminate a significant number of non-operating entities over the coming months and was briefed on the group-wide project to raise awareness of the SES Code of Conduct and Ethics which was rolled out during 2007.

##### *The Nomination Committee*

In line with best practice in corporate governance, the board established a Nomination Committee whose role is to identify and nominate suitable candidates for the Board of Directors, for election by the annual general meeting of shareholders. Such proposals are 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 Nomination Committee also proposes candidates for Executive Committee membership for election by the board.

Following its election on April 3, 2008, the Nomination Committee is now composed of the following six members, a majority of whom are independent board members in line with the SES internal regulations:

René Steichen  
Marcus Bicknell (independent)  
Jacques Espinasse (independent)  
Hadelin de Liedekerke Beaufort (independent)  
Terry Seddon (independent)  
Jean-Paul Zens.

The Nomination Committee was chaired in 2008 by the Chairman of the Board. The Nomination Committee met twice with an attendance rate of 100%. The purpose of the first meeting was to build on the preparatory work done in 2007 and to agree on the list of 17 names which was endorsed by the board for the election of a new board by the shareholders in the annual general meeting, whereas in its second meeting, the Nomination Committee had a discussion on the Management Succession Plan 2008. Input for that discussion had been prepared with the help of outside consultants.

### **The Executive Committee Mission**

The Executive Committee is in charge of the daily management of the group. It functions as a collegial body.

The board also mandated the Executive Committee with the preparation and planning of overall policies and strategies of the company as well as of decisions reaching beyond the daily management for discussion and decision by the board.

The Executive Committee may approve intra-group transactions irrespective of the amount, provided that they are consistent with the consolidated annual budget of the company as well as specific transactions with third parties for an amount up to EUR 10 million per project. It informs 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 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. It 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 Internal Rate of Return will need to comply with certain specific thresholds defined by the board. The Executive Committee shall inform the board at its next meeting on each such increase.

The Executive Committee submits to the board 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 submits to the board a consolidated budget for approval.

The Executive Committee is in charge of implementing all decisions taken by the board and by the committees specially mandated by the board. 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 Chairman of the Executive Committee organises the work of the Executive Committee and coordinates the activities of its members, who report directly to him. In order to facilitate the implementation by the board of its overall duty to supervise the affairs of the company, the Chairman of the Executive Committee informs the Chairman of the Board on a regular basis. The latter receives the agenda and the minutes of all meetings of the Executive Committee in due time.

During 2008 the Executive Committee met 40 times with an attendance rate of more than 97%. Pierre Margue, Vice President Legal and Corporate Affairs, the secretary of the Board of Directors, also acted as secretary to the Executive Committee.

### **Composition**

The following persons are members of the Executive Committee: the President and CEO of SES who assumes the chairmanship of the Executive Committee, the Chief Financial Officer of SES, the President and CEO of SES ASTRA, the President and CEO of SES AMERICOM/NEW SKIES as well as the President of SES ENGINEERING.

Members of the Executive Committee are nominated by the Board of Directors upon proposal from the Nomination Committee.

The members of the Executive Committee are presented on pages 26 and 27.

### **Remuneration**

#### **Remuneration of the members of the Board of Directors**

The annual general meeting of shareholders determines the remuneration of the members of the Board of Directors for attending board and committee meetings. In 2008, the shareholders approved the proposal to increase the fees paid to the directors to EUR 40,000 per year. Vice Chairmen receive an annual fixed fee of EUR 48,000, whereas the Chairman receives EUR 100,000 per year. The Chairman of the Audit Committee receives an additional EUR 8,000 per year for chairing the Audit Committee.

The shareholders also decided that each member of the Board of Directors (including the Vice Chairmen and the Chairman) will receive a fee of EUR 1,600 for each meeting of the board or of a committee of the board they attend. Half of that fee will be paid if the director participates via telephone or videoconference in the meeting.

All these fees are net of any Luxembourgish withholding taxes.

The total net remuneration fees paid for the year 2008 to the members of the Board of Directors (net of the Luxembourgish withholding tax) amounted to EUR 975,500 of which EUR 268,800 were paid as variable fees, with the remaining EUR 706,700 representing the fixed part of the board fees. The gross overall figure for the year 2008 was EUR 1,219,375.

#### **Company stock owned by members of the Board of Directors**

On December 31, 2008, the members of the Board of Directors owned a combined total of 633,865 shares and FDRs (representing 0.13% of the company's share capital), and 9,320 options. These options were granted at the time of the company's IPO in 1998. No additional options have been granted to directors since.

## Corporate governance

### Continued

#### Remuneration of the 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. The total gross remuneration paid to the six members of the Executive Committee relative to the year 2008 amounted to EUR 8,356,477.08, of which EUR 2,967,851.90 represented the fixed part and EUR 5,388,625.18 the variable part. The direct remuneration paid to the members of the Executive Committee amounted to EUR 5,579,851.43 whereas the indirect remuneration was EUR 2,776,625.66.

The indirect remuneration also contains the benefits derived by the members of the Executive Committee from the company's executive stock option plan and the long-term incentive plan, as adopted by the Board of Directors. During 2008, the members of the Executive Committee were awarded a combined total of 244,048 options to acquire company FDRs at an exercise price of EUR 14.62, the price being based on the average of the closing price on Euronext Paris of the first 15 trading days following the Remuneration Committee meeting at which the options are authorized. A quarter of those options vested on January 1, 2009, the remaining quarters vesting on January 1, 2010, 2011 and 2012 respectively. In 2008, members of the Executive Committee were granted 80,834 restricted shares as part of the company's long-term incentive plan as well as 21,929 performance shares to match the restricted shares granted in 2007. These shares will vest after three years.

During 2008, Martin Halliwell and Robert Bednarek exercised some of their stock options, whereas Romain Bausch and Martin Halliwell sold some of the restricted shares which vested on July 1. SES publishes the details of all transactions made by its board members, the members of its Executive Committee and the members of the Management Committees of its main operating companies on its website.

#### Company stock owned by members of the Executive Committee

On December 31, 2008, the members of the Executive Committee owned a combined total of 67,939 shares and FDRs, 260,600 unvested restricted shares and 1,544,750 options. Transactions made by members of the Executive Committee or members of the Management Committees of SES ASTRA, SES AMERICOM and SES NEW SKIES are published on the company's website under Management Disclosures.

#### External auditor

In accordance with the Luxembourg law on commercial companies, the company's annual and consolidated accounts are certified by an external auditor appointed by the annual general meeting of shareholders. On April 3, 2008, the shareholders retained Ernst & Young for another year and approved its remuneration, with a majority of more than 99.99%. The mandate of Ernst & Young will expire at the annual general meeting on April 2, 2009.

#### Internal control procedures

##### Objective

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. Such a system is an integral part of the corporate governance strategy of the group.

Internal control procedures help to ensure the proper management of risks and provide reasonable assurance that the business objectives of the company can be achieved.

The internal control procedures are defined and implemented by the company to ensure:

- the compliance of actions and decisions with applicable laws, regulations, standards, internal rules and contracts;
- the efficiency and effectiveness of operations and the optimal use of the group's resources;
- the correct implementation of the company's internal processes, notably those to ensure the safeguarding of assets;
- the integrity and reliability of financial and operational information, both for internal and external use; and
- that management's instructions and directions are properly applied.

Like all control systems, internal controls cannot provide an absolute guarantee that risks of misstatement, losses or human error have been totally mitigated or eliminated.

##### Organisational principles

The Board of Directors has delegated the design, implementation and maintenance of a rigorous and effective system of internal controls to the Executive Committee of SES, who in turn works closely with the management of its subsidiaries and other controlled affiliates in establishing control policies and procedures.

Each operating company of the group applies two levels of internal control policies and procedures:

- common policies formalised by several coordination committees or cross-functional teams to apply to the employees, officers and directors of the group company, its subsidiaries and other controlled affiliates as the general framework for their own business process design; and
- the policies and procedures specific to each company and adapted to their activity, size and organisation, and to their relevant legal and regulatory environment.

The organisation, application and monitoring of these policies and procedures, and therefore, risk management, are the responsibility of each operating company's management.

##### Internal control procedures

The group has adopted a robust internal control framework based on a set of guidelines prepared by a recognised body, the COSO (Committee of Sponsoring Organisations of the Treadway Commission). This framework provides reasonable assurance that the internal control objectives are being achieved; it is also consistent with the reference framework proposed by the French securities regulator, the 'Autorité des Marchés Financiers' (AMF).

The control environment is an essential element of the company's internal control framework as it sets the tone for the organisation. This is the foundation of the other components of internal control, providing discipline and structure.

A "Code of Conduct and Ethics" has been established to reinforce the corporate governance principles and control environment. This code is applicable to all employees, officers and directors of the company, its subsidiaries or other controlled affiliates.

The policies outlined in this code are designed to ensure that all employees, officers and directors act at all times in accordance with the applicable laws, regulations and norms of conduct, and with the highest standards of integrity. The code was submitted to the Audit Committee and has been approved by the Board of Directors.

Employees and officers in all entities of the group have been informed of the content of the code of conduct and its applicable principles. For new hires, training on the code is integrated in the induction training. In June 2008, the Executive Committee of SES created a group-wide SES Compliance Committee which is chaired by the compliance officer of SES S.A. The main role of this committee, composed of designated compliance officers of each SES subsidiary, is to raise the staff's awareness of the code and to ensure a consistent roll-out and training programme for the code.

Regarding the internal controls in the area of accounting and financial reporting, the following should be noted:

- staff involved in the group's accounting and financial reporting are regularly updated concerning relevant changes in International Financial Reporting Standards (IFRS). This is augmented by specific written guidance on particular matters where needed and a group reporting handbook is available which summarises the group's accounting and financial reporting guidelines and policies;
- controls have been established in the processing of accounting transactions to ensure appropriate authorisations for transactions, effective segregation of duties, and the complete and accurate recording of financial information;
- activities with a significant potential risk, for instance financial derivative transactions, take place within a clearly defined framework set by the board, or are brought to the board for specific approval;
- any weaknesses in the system of internal controls identified by either internal or external auditors are promptly and fully addressed;
- the group relies on a comprehensive system of financial reporting. Strategic plans, business plans, budgets and the interim and full-year consolidated accounts of the company are drawn up and brought to the board for approval. The Board of Directors also approves major investments. The board receives detailed monthly financial reporting comparing the group's financial performance to the approved budget and prior year figures; and
- the external auditors perform a limited review of the group's half-year financial statements and a full audit of the group's full-year financial statement.

Regarding the internal controls in the area of treasury management, the following should be noted:

- in order to ensure the efficiency of the operations of this function in the implementation of a strategy to hedge the group's risk associated with interest rate and foreign currency fluctuations, a specific treasury software package has been implemented. This package also aims to centralise the cash management of the SES operating subsidiaries. A clear segregation of duties between members of the treasury and accounting departments has been defined;
- a comprehensive treasury policy giving detailed guidance on derivative instruments used and the appropriate accounting treatment has been defined and approved by the Audit Committee; and
- the activities of the group Treasurer, and in particular the hedging activities engaged during the year, are authorised within the framework approved by the Board of Directors.

The group Treasurer reports on a formal basis every quarter to the Board of Directors.

Regarding the internal controls in the area of tax management, the following should be noted:

- the tax management department aims to seek upfront tax clearance with relevant local tax authorities with regard to the tax ramifications of main business ventures, corporate reorganisations and financing structures of the group. Absent the possibility to secure advance confirmation from tax authorities, the tax treatment is analysed based on best authoritative interpretations and laid down in tax opinions from external tax consultancy firms;
- in order to ensure full coordination with regard to developments of important financing and group structures after implementation, the SES internal "tax programmes review platform", consisting of corporate and operating company support functions is instigated and meets periodically;
- the transfer pricing team is responsible for continuously improving and fine-tuning the required contemporaneous transfer pricing documentation (in accordance with local regulations) underpinning all inter-company transactions of the group; and
- a "tax risk memo" is prepared semi-annually by the tax management department. In the event a specific tax risk is identified, management can decide to create a tax provision to cover potential income statement impacts on an entity or group basis. The tax risk position of the group is subject to a discussion with the external auditors in the context of the annual audit and semi-annual review process.

## Corporate governance

### Continued

Regarding the internal controls in the area of satellite operations, the following should be noted:

- the procurement of satellites, launch vehicles and satellite-related ground infrastructure, as well as the administration, control and operations of the satellite system are the responsibility of the newly created group-wide SES ENGINEERING entity;
- a satellite operations risk management process is in place to monitor and assess sources of technical risks and to develop qualitative, quantitative and statistical methods which allow the mitigation of risk at the satellite fleet level;
- operational procedures for satellite control and payload management exist and cover manoeuvres and configuration changes required in nominal situations as well as in cases of technical emergencies. These procedures are periodically and reviewed to ensure that they are up-to-date; and
- crisis management systems and supporting infrastructure and tools have been designed in order to address satellite in-orbit anomaly situations at the appropriate level of responsibility.

Regarding the internal controls in the area of information and communication technology, the following should be noted:

- management is committed to ensure that data, infrastructure and information technology systems are as secure as is reasonably practicable. Security controls, policies and procedures are in place to prevent unauthorised access to premises, computer systems, networks and data;
- regular back-up of electronic information is ensured and copies are stored off-site; and
- for non-satellite related business applications, disaster recovery plans exist and are regularly tested.

#### Evaluation of the internal control procedures

The SES group Internal Audit function was established in 2000. Internal Audit evaluates the relevance of, and compliance with, internal control procedures.

The mission of the Internal Audit function is to provide independent and objective assistance and assurance regarding the effectiveness and efficiency of business operations, the reliability of financial and operational reporting, and the group's compliance with legal and regulatory requirements. In this context, Internal Audit is also tasked with identifying, preventing and minimising risks, as well as with the safeguarding of the group's assets.

Under its charter, which was revised and amended in 2008, the Internal Audit function reports to the President and CEO of SES, but may also report directly to the Audit 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 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 is undertaken every three years by the Internal Audit function. It 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 recommendations and regularly reports on effective compliance to the President and CEO of SES and to the Audit Committee.

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

As a result of an external quality assessment conducted in 2007, which confirmed that the Internal Audit function generally conforms with the professional standards defined by the Institute of Internal Auditors (IIA), the Internal Audit function initiated an improvement action plan. This plan focuses on the documentation of the internal audit procedures (audit manual), Internal Audit's relationships with key stakeholders, and the introduction of an annual risk assessment in order to dynamically link the audit plan to risks that may affect the organisation and its operations.

#### Human resources

##### Human resources strategy

SES aims to be the employer of choice in the industry. The company identifies, secures, engages, develops and retains the best talent to further expand its technological reach and business objectives.

SES respects and trusts its people, embraces diversity and lives by its values. SES senior managers have a responsibility as role models to all SES employees, and must therefore act in accordance with the guidelines laid down for SES senior management.

SES employees are engaged, committed and proud to be associated with their company.

To leverage the employees' full potential, SES focuses on competency development, alignment of objectives and knowledge sharing. SES ensures that every employee has the necessary resources and support to be successful in his or her career within the context of its performance management system. Human Resources is the catalyst to drive organisational and cultural initiatives leading to sustainable stakeholders' value creation.

## SES employees

At year-end 2008, SES employed a total of 1,624 staff<sup>1</sup>. The detail is shown in the table below.

	2008
SES S.A. <sup>2</sup>	59
SES ASTRA	294
SES AMERICOM/NEW SKIES	403
SES ENGINEERING	319
ASTRA PLATFORM SERVICES (APS)	149
SES SIRIUS	42
ND SatCom	358
<b>Total</b>	<b>1,624</b>

## SES values and culture

The SES companies observe a common set of core values, which provide guidance for their activities. These values inspire a unique organisational culture and reflect our aspirations, which are geared towards achieving the highest performance at the service of customers, shareholders and society at large. SES' values are primarily focused on providing highest-quality customer service.

They are:

### *Excellence*

Having the passion and commitment to be the best in our industry.

### *Partnership*

Developing and maintaining cooperative relationships that build upon strengths and skills within the group to achieve common goals and benefits at the service of the customers.

### *Leadership*

Articulating strategic vision, demonstrating values, and creating an environment in which we can meet the needs of the marketplace.

### *Integrity*

Consistently applying the principles of honesty, accountability, responsibility, fairness and respect.

### *Innovation*

Establishing a business culture that stimulates creativity across the organisation, develops employees' skills and improves processes, products and services.

## Remuneration

The SES companies apply a performance-based compensation philosophy. Remuneration includes: base salaries, performance bonuses, stock options, stock appreciation rights, long-term incentives and fringe benefits that are continuously reviewed in line with best market practices.

### *Stock-related compensation schemes*

SES applies an equity incentive compensation plan. The purpose of the plan is to attract and retain highly qualified leadership level staff. This policy applies to executive-level employees of SES. 1,866,042 options were granted in 2008 to 175 executive participants.

### *Long-term incentive scheme for executives*

Our long-term incentive scheme for executives is based on restricted shares (restricted for a vesting period of three years) and on performance shares (shares which are only granted in case the company and the executive meet or exceed a certain performance threshold over a three year period). 246,223 restricted shares and 56,145 performance shares were granted in 2008.

### *Stock appreciation rights plan*

SES operates a stock appreciation rights (STAR) plan, which applies to the non-executive-level staff. Through the grant of stock appreciation rights, the company aims to encourage the long-term commitment of the staff towards the company, and to provide the possibility to share in the value-creation of the company.

853,938 STARs were granted in 2008.

A variety of awards are being used to acknowledge and reinforce the contributions of our employees. In 2008 these mechanisms included management awards, spot awards, deal attainment bonuses, SES ASTRA Awards and SES AMERICOM President's Award.

## The Human Resources (HR) function

SES was supported at year end by a team of HR professionals based across all SES companies. A Human Resources Coordination Committee ensures that the HR strategy and objectives are aligned within the group and with the business objectives, decisions and guidance of SES' Executive Committee.

Employee satisfaction is being periodically monitored by an employee survey, internally called "Voice of the Employee" (VoE). A strong focus is placed on employee communications through a variety of instruments, such as employee meetings, breakfast talks, and forums pertaining to specific topics. In 2008, the company's intranet was further developed across the group, ensuring employees receive the most up-to-date and relevant information according to location and entity within the group. The intranet is the main vehicle for employee communications.

Additionally, the company's vision and business strategy are conveyed successfully to all employees to strengthen awareness and engagement.

## A learning organisation

Employee satisfaction is consistently monitored and measured and we strive to make improvements based on employee feedback. In line with its vision of being a continuous learning organisation, SES continued, in 2008, to offer its employees a wide range of training courses within the AMERICOM University and the SES Training and Education Programme (STEP).

In 2008, core and functional competencies were introduced to facilitate job and performance evaluation.

## Building outstanding leadership talent

SES focuses on identifying and developing high-potential leadership talent by means of succession planning. This includes participation in executive assessments, executive development programmes, coaching and stretch assignments. A talent inventory and a global succession planning process for critical positions was conducted in 2008.

<sup>1</sup>Full-time equivalents

<sup>2</sup>Includes SES Finance S.à r.l.

## Corporate governance

### Continued

SES continued its implementation of a global 'Developing Tomorrow's Leaders' programme in 2008. The programme now covers 66 top-level executives identified as high performers with high potential. Two modules were completed in 2008.

SES has a "Global Development Programme" (GDP) which is used for cross-functional and cross-continent talent and knowledge exchange. Three employees participated in the programme in 2008.

A global "SES Associate Programme," targeted at graduates, was rolled out in 2008. The two-year programme currently covers six associates participating in four six-month assignments.

#### Social dialogue within SES

In its dealings with their employees and associates, SES and its operating entities rely upon best practices of social dialogue and openness. These principles are applied at all levels of the organisation and are rooted both in legal requirements and in management culture.

At SES ASTRA and SES ENGINEERING, the legal framework provides for a personnel delegation and a mixed committee, whereas SES ASTRA TechCom also has a personnel delegation.

The personnel delegations of SES ASTRA and SES ENGINEERING consist of five members each whereas SES ASTRA TechCom has a personnel delegation composed of two delegates. All delegates have been elected for a five-year term. Their mandate consists in protecting the interests of the workforce with regard to working conditions, job security and social matters. The personnel delegation is informed on the developments affecting the company and advises on amendments to work rules.

The mixed committee consists of three employer representatives and three employee representatives. The mixed committee has co-decision powers in matters covering performance assessment, health and safety and in the general criteria applied in the recruitment, promotion and dismissal policies. The mixed committee is consulted on all important decisions regarding investments in plant or equipment, work processes and working conditions. The committee is informed about the general development of the company and employment trends.

In other SES companies, the social dialogue is conducted according to the rules laid out in the local legal frameworks, for instance by means of works councils in SES NEW SKIES, APS and ND SatCom.

#### Investor Relations

SES has a dedicated Investor Relations function reporting to the Chief Financial Officer and working closely with the President and CEO. Its purpose is to develop and coordinate the group's external financial communications and interactions with equity and debt investors, investment analysts, credit rating agencies, financial journalists and other external audiences, to monitor stock market developments and to provide feedback and recommendations to the SES Executive Committee.

Investor Relations is responsible for the definition and execution of SES' active Investor Relations programme and participation in investor conferences and similar events. Investor Relations also works closely with the group's General Counsel to ensure that the group's external communications comply with applicable legal and regulatory requirements.

#### Our corporate social responsibility policy

In 2008, SES implemented corporate social responsibility (CSR) projects and activities in those geographic areas where the SES group either has commercial activities, provides communication services or otherwise interacts with local communities.

#### Policy

Our CSR policy aims primarily at supporting educational projects, and its focus reflects our position as a provider of global communications infrastructure and services.

SES believes it has a responsibility to support the development of a knowledge and communications-based society. Progress in this area should help develop more resilient and flexible economic structures, contribute to enhance social mobility and development, and should also contribute to the emergence of sustainable economic development models.

SES adheres to the "Corporate Social Responsibility Charter," signed jointly by a number of Luxembourg-based companies. This charter commits its signatories to promote the principles of CSR and to reflect and implement these in their everyday operations.

#### Actions

In 2008, SES continued its scholarship programme with the International Space University (ISU) in Strasbourg, France, supporting students of advanced studies of space applications. In addition, SES initiated a multi-year support programme for an executive space MBA with the International Institute of Space Commerce (IISC) based in the Isle of Man. This programme benefits students from the Isle of Man. The IISC is an off-shoot of the ISU.

SES also continued to support the scholarship programme of the "Society of Satellite Professionals International" (SSPI), a U.S.-based non-profit association for the professional development of satellite industry professionals worldwide.

SES donated computer hardware and software to the Comprehensive School No.1 in Baikonur, Kazakhstan. The company also supported the St. Gallen symposium, an academic and networking opportunity for representatives of business, politics, and students at the University of St. Gallen, Switzerland.

SES is a member of the International Astronautical Foundation, a global organisation that promotes awareness of space activities world-wide.

SES also continued to financially support the Institut St. Joseph of Betzdorf, Luxembourg, a home for mentally handicapped persons.

SES gave a financial contribution to Luxembourg's "Business Initiative 123-GO" aimed at advancing the development of innovative business projects. SES is also a supporting member of the IDATE Foundation, based in Montpellier, France, which provides assistance in strategic decision-making to the telecom, internet and media industries.

In 2007, SES became a member of Luxembourg's "Groupement d'intérêt économique Shanghai 2010". The mission of this organisation is to implement Luxembourg's representation at the World Exhibition in Shanghai in 2010.

SES continued its financial support to "Musek am Syrdal", a local music festival in Luxembourg.

SES NEW SKIES supported the NEPAD e-Schools Demo project by providing satellite capacity and teleport services. Together with two other partners, iDirect and Intersat Africa, we have committed to provide a total satellite solution to 35 schools. The project aims at demonstrating the value of ICT to education and encompasses 96 schools in 16 African countries. NEPAD (The New Partnership for African Development) is a Pan-African organisation sponsored by the African Union that aims to combine public and private partners to address development issues in Africa.

The U.S. offices of SES sponsored a number of science and engineering programmes in public schools in the U.S. Out of 12 applying schools, seven were awarded grants. These grants funded a variety of activities ranging from robotics clubs, in which SES employees helped students build robots, to a "Project Lead the Way" for one school in Paterson, N.J., aiming to prepare students for a successful curriculum in post-secondary engineering studies.

Grants were made available to public schools from Kindergarten to twelfth grade; the grants are reviewed by a committee of employees.

SES ASTRA contributed to the SatElections project for the production and delivery of e-learning modules on effective electoral assistance and electoral administration via satellite, whose pilot operational phase was launched in November 2008 in Kinshasa, Democratic Republic of Congo. The SatElections project is supported financially by the governments of Belgium, Luxembourg and Italy, and is being developed by an industrial consortium coordinated by the European Space Agency.

#### **Caring for the environment**

The SES companies are committed to respecting the world's natural environment, and to aligning the companies' and the staff's conduct with the principles of sustainable development. We apply the principle that all activities and services which we provide to third-party customers, or which are supplied to us by third-party vendors, should comply with the highest standards of environmental protection.

Compliance is benchmarked against the legal rules and regulations applied in the countries in which the SES companies operate, as well as against industry-wide best practices. Our objective is to continuously improve our environmental performance and to further reduce the environmental impact of our activities.

The activities of SES and its operating companies are mainly office and technology-based. In our operations, we promote the most efficient use of energy and natural resources. We have successfully implemented a programme to rely on cogeneration power with renewable energy sources wherever possible. We apply a waste recycling programme which aims to avoid, reduce and recycle waste material as efficiently as possible; this programme is subject to independent third-party audits and quality control. We also conduct environmental training on a regular basis and encourage our staff to adopt environmentally correct attitudes in their professional activities.

The operating entities of SES apply best practices in minimising the environmental impact of the outsourced activities, such as the manufacturing and launching of spacecraft. The companies also ensure that the amount of radiation emitted from their earth stations respects or remains below the maximum levels defined by the countries of operation; compliance is checked through yearly internal and third-party audits by accredited organisations, which are specialised in the field of industrial safety.

#### **Responsibility statement**

The Board of Directors and the executive management of the company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the financial position of the group with reasonable accuracy at any time, and ensuring that an appropriate system of internal controls is in place to ensure the group's business operations are carried on efficiently and transparently. In accordance with Article 3 of the law of January 11, 2008 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, we declare that, to the best of our knowledge, the consolidated financial statements for the year ended December 31, 2008, prepared in accordance with IFRS as adopted for use in the E.U. give a true and fair view of the assets, liabilities, financial position and profit of the year. In addition, the management report includes a fair review of the development and performance of the group's operations during the year and of business risks, where appropriate, facing the group.



**René Steichen**  
Chairman of the  
Board of Directors



**Romain Bausch**  
President and CEO