

# Corporate governance

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

### Objective

In accordance with the 'Ten Principles of Corporate Governance' adopted by the Luxembourg Stock Exchange and which became applicable on January 1, 2007, SES increased its information flow towards investors, shareholders and analysts, mostly through the use of the company's website ([www.ses.com](http://www.ses.com)).

In this context, SES decided to publish on its website the minutes of the shareholders' meetings as well as the results of the votes taken during these meetings. The section on corporate governance also contains the latest version of the main governance documents such as the articles of incorporation, the corporate governance charter (including the charters of the various committees set up by the Board) as well as separate sections on the composition and the powers of the Board, the Board's committees and the Executive Committee.

SES meets all the recommendations of the 'Ten Principles', except recommendation 3.9 insofar as in some cases the Board delegated its decision power to the Remuneration Committee.

As Euronext Paris is the main stock exchange on which SES Fiduciary Depository Reports (FDRs) are being traded, SES also complies with the French corporate governance requirements, except where these deviate from the rules contained in the 'Ten Principles'. This is the case for the disclosure of the individual remuneration of the members of the Executive Committee. In this case SES follows the recommendation 8.14 of the 'Ten Principles' and publishes in the present annual report 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.

### 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 management 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 28, 2007 is available on the company's website, together with the latest version of the 'SES Corporate Governance Charter' adopted by the Board of Directors.

### 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 resolution.

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.

Following the latest modifications to the company's articles of incorporation, 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 he 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 who 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 authorise 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 is given in the press. The Fiduciary circulates 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 are 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 forms 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 was attended by 99.95% of the company's shareholders. However, as 103,149,900 shares of Class C (a class which has since been abolished by the shareholders in an extraordinary general meeting on June 28, 2007) were held by a trustee in favour of SES, only 83.62% of the company was voting in the annual general meeting. All the proposals submitted by the Board of Directors were carried by an overwhelming majority of shareholders, including the proposed increase in the directors' fees. The shareholders further approved the 2006 financial results and the allocation of the 2006 profits, granted discharge to the external auditor and the directors and elected Ernst & Young as the company's external auditor for another year.

During 2007, SES held two extraordinary general meetings of shareholders on March 15 and on June 28. Both meetings were held at the company's registered office at Château de Betzdorf in the Grand-Duchy of Luxembourg and were attended by 96.82% respectively by 99.94% of the company's shareholders.

The sole purpose of the March 15 meeting was to receive the shareholders' approval to buy back the shares held under the form of shares of Class C by General Electric (GE) and the relevant number of shares of Class B so as to respect at all times the provisions of article 9 of the company's articles of incorporation setting out an 1:2 ratio between the number of B shares and the other shares composing the company's share capital. The main resolution was unanimously approved, while for the second resolution separate votes were taken by each class of shares in accordance with Luxembourg law. The proposal which granted a mandate to the Board to buy back and cancel up to 25% of the company's shares in the form of B and C shares was approved unanimously by the B and C shareholders and by 99.9981% of the A shareholders.

SES convened its shareholders for an extraordinary meeting on June 28, 2007 to elect two new Board members to replace Charles Alexander and John Connelly who resigned when the transaction with GE closed. The shareholders overwhelmingly elected Bob Ross and Dr. Ashok Ganguly, the two candidates proposed by the Nomination Committee and the Board of Directors.

At the same meeting, the shareholders modified the articles of incorporation to bring them in line with the new concession agreement signed between SES ASTRA and the state of Luxembourg. The shareholders also overwhelmingly approved a modification to the articles of incorporation resulting from the buyback and the cancellation of B and C shares by the Board of Directors on April 5, as approved by the shareholders on March 15.

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**

At the end of 2007, the Board of SES was composed of 17 directors, all of them non-executive directors. In accordance with the company's articles of association, eleven 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 2008. The Chairman of the Board of Directors, René Steichen, was elected by the members of the Board in its meeting on May 6, 2005 which followed the annual general meeting. René Steichen is currently assisted by two Vice Chairmen, François Tesch and Jean-Paul Zens, one each 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. Following the vacancy left by the resignations of Charles Alexander and John Connelly on March 29 and as an extraordinary meeting of shareholders was held on June 28, 2007, Bob Ross and Dr Ashok Ganguly were elected to finish the mandates of Charles Alexander and John Connelly.

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 seventeen Board members are considered independent: Messrs Marcus Bicknell, Hadelin de Liedekerke Beaufort, Jacques Espinasse, Ashok Ganguly, Bob Ross, Christian Schaack, Terry Seddon, Marc Speeckaert, Gerd Tenzer and François Tesch.

# Corporate governance

## 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. On February 15, 2007, the Board of Directors decided to convene an extraordinary meeting of shareholders for March 15 to ask for approval of the buyback and the cancellation of B and C shares resulting from the contemplated transaction with GE.

## Activities of the Board of Directors in 2007

The Board of Directors held six meetings in 2007, with an average attendance rate of more than 89%. Upon endorsement by the Audit Committee, the Board approved the 2006 audited accounts as well as the results for the first half of 2007. During 2007 the Board approved an update to the company's strategic plan as well as a business plan for the period 2007–2014 which served as the basis for the 2008 budget approved by the Board in December.

In its February 14 meeting, the Board decided a new share buyback programme, which was launched on Euronext Paris on March 10 with the objectives to buy back the company's own shares for its executive stock option plan as well as within the framework of a liquidity contract signed with Banque Rothschild & Cie. The Board later extended the purpose of the share buyback programme to the cancellation of the shares bought under the programme as well as to the purpose of buying the shares 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.

In its meeting of April 5 and in the presence of the notary public, Me Joelle Baden, the Board bought back 103,149,900 C shares, converting 17,191,650 of them into FDRs to pay for 42,979,125 B shares and cancelled the B shares as well as the remaining C shares, thus implementing a decision taken by the shareholders on March 15.

During the year 2007, the Board approved the procurement of several new satellites including NSS-12, and NSS-14. The Board decided to increase the existing EMTN programme to EUR 4 billion and adopted an update to the executive stock option plan to make the plan compliant with new U.S. tax legislation.

Finally, within the context of an internal reorganisation, which resulted in the creation of SES ENGINEERING, the Board approved the nomination of Martin Halliwell, President SES ENGINEERING as a member of the Executive Committee and amended the charters of both the Remuneration and the Nomination Committees to reflect the increase in the Committees' membership from five to six members.

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 the respective Committee.

The Board and each of its Committees also proceeded with a self-evaluation exercise, the results of which confirmed that the directors are generally satisfied with the way the company handles corporate governance. No major changes were decided with regard to the results from the survey.

Following the extraordinary general meeting on June 28, 2007, 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 AMERICOM, SES ASTRA Services Europe, the Special Shareholder Committee of SES 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. As he represents an important shareholder, he is not an independent director.

### François Tesch

Born January 16, 1951. Mr Tesch became a director on April 15, 1999. He is also a director of Foyer S.A., and Managing Director of Luxempart. Mr Tesch sits also on the boards of several non-listed companies such as Société de la Bourse de Luxembourg and 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. He may attend the meetings of the Remuneration Committee and the Nomination Committee as an observer. Mr Tesch is an independent director.

### 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 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 has recently been appointed to both the Remuneration and the Nomination Committee of SES. He 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, a non-listed company in the United Kingdom, and a Board member of the UK 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 Committee. He 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 Committee of SES. He 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. He 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 Audit Committee of SES. He is not an independent director, because he represents an important shareholder.

**Ashok Ganguly**

Born July 28, 1935. Dr Ganguly became a member of the SES Board on June 28, 2007. He is currently the Chairman of Firstsource Solutions Ltd and ABP Pvt Ltd (Ananda Bazar Patrika Group) and has been a director on the Central Board of the Reserve Bank of India since November 2000. Dr Ganguly also currently serves as a non-executive director of Mahindra & Mahindra, Wipro Ltd and Tata AIG Life Insurance Co Ltd. and a director on the Advisory Board of Microsoft Corporation (India) Pvt Ltd. He is a member of the Prime Minister's Council on Trade and Industry as well as of the Investment Commission and the India-USA CEO Council, set up by the Prime Minister of India and the President of the USA. He is also a member of the National Knowledge Commission to the Prime Minister. He is a former member of the Board of British Airways Plc (1996–2005).

Mr Ganguly is an independent director.

**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. 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. He 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, Chairman of the Board of Directors of Banque et Caisse d'Epargne de l'Etat, Luxembourg, and Vice Chairman of the Conseil d'Etat of 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.

**Mr Bob 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 Board of SES AMERICOM. 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., Lantana Capital S.A., Comsamer SL, Lauralia SL and Martellina SL 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 Country Management Coordinator of Fortis and Managing Director of Fortis Banque Luxembourg. 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.

Mr Schaack is an independent director.

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## **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 of the Board, a member of the Executive Committee of National Credit and Investment Corporation and Vice Chairman of the Board of *Entreprise des Postes et Télécommunications*, Luxembourg. He is also a director of *ArcelorMittal*, *Banque et Caisse d'Épargne 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.

## **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 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 UK manufacturing and operating companies. Mr Seddon graduated from *Blackburn Polytechnic* and *Leeds University of the UK*.

Mr Seddon is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. He is an independent director.

## **Marc Speeckaert**

Born May 23, 1951. Mr Speeckaert is the General Manager of *Sofina S.A.* and a director of several non-listed corporations and of *Rapala* which is listed on the Helsinki Stock Exchange. 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. He 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. Mr Tenzer graduated with a degree in Communications Engineering (Dipl. Ing.) from the Technical University in Aachen.

Mr Tenzer is an independent director.

## **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 2007 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 a decision by the Board in its August 2 meeting, the Remuneration 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 Remuneration Committee was chaired in 2007 by the Chairman of the Board. Mr François Tesch in his capacity as Vice-Chairman, may attend the meetings of the Remuneration Committee as an observer.

The Remuneration Committee held seven meetings with an attendance rate of 100%. Matters addressed related to the determination of the 2007 stock option grant and the 2007 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 2006 and agreed on changes to the employment contracts of the members of the Executive Committee. In order to comply with recent changes in the U.S. tax laws, the Remuneration Committee proposed to the Board to increase the strike price of both the stock options and the STARs granted in 2007 to U.S.-tax payers from EUR 14.54 to EUR 15.80 and to compensate the beneficiaries by paying them a cash amount of EUR 1.26 per share payable on the day that the stock options are vesting. The process to determine the strike price for future grants has also been changed to make these compliant with the new U.S. tax laws.

The Remuneration Committee adopted the 2007 business objectives which will be used as one element in the determination of the bonus to be paid to the members of the Executive Committee for 2007.

It also discussed the results from the self-evaluation exercise made in 2007.

### ***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 five meetings with a members' attendance rate of 96.7%. The meetings were dedicated in particular to the review of the 2006 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 2007. 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 decided to proceed with an external quality assessment of the Internal audit function. The results of that assessment were discussed at the last meeting of the Audit Committee. In October, the Audit Committee dedicated a full meeting to the discussion of the business continuity management in SES AMERICOM, the group's U.S.-based operating company. The meeting was followed by a visit of the SES AMERICOM earth station in Woodbine.

The Audit Committee also discussed the results from the self-evaluation made by the members of the Audit Committee.

### ***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 role of the Nomination Committee also consists to propose candidates for Executive Committee membership for election by the Board.

Following the decision taken by the Board in August 2007, 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 2007 by the Chairman of the Board. Mr François Tesch in his capacity as Vice Chairman, may attend the meetings of the Nomination Committee as an observer.

The Nomination Committee met four times with an attendance rate of 100 %. The purpose of the first two meetings was to agree on replacements for Charles Alexander and John Connelly on the Board of SES. The two chosen candidates, Dr Ashok Ganguly and Bob Ross were elected by the shareholders on June 28 with an overwhelming majority of more than 99% of the votes.

The Nomination Committee also decided to nominate Martin Halliwell, President SES ENGINEERING, for membership to the SES Executive Committee, a decision which was taken by the Board of Directors in October 2007 and became effective on January 1, 2008. The purpose of the fourth and final meeting of 2007 was to prepare the renewal of the Board of Directors in April 2008.

### **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 specific transactions 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 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 2007 the Executive Committee met 40 times with an attendance rate of 98%. Pierre Margue, Vice President Legal and Corporate Affairs, the secretary of the Board of Directors, also acted as secretary to the Executive Committee.

# Corporate governance

## 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, the President and CEO of SES NEW SKIES as well as with effect from January 1, 2008 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 30 and 31.

## 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 2007 the shareholders approved the proposal to increase the fees paid to the directors to EUR 28,000 per year. Vice Chairmen receive an annual fixed fee of EUR 33,600, whereas the Chairman receives EUR 70,000 per year. The Chairman of the Audit Committee receives an additional EUR 5,600 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 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 2007 to the members of the Board of Directors (net of the Luxembourgish withholding tax) amounted to EUR 772,842.50 of which EUR 305,305 were paid as variable fees, with the remaining EUR 467,537.50 representing the fixed part of the Board fees. The gross overall figure for the year 2007 was EUR 966,053.13.

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

On December 31, 2007 the members of the Board of Directors owned a combined total of 626,000 shares and FDRs (representing 0.12% 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.

### Remuneration of the members of the Executive Committee

The remuneration of the five 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 five members of the Executive Committee relative to the year 2007 amounted to EUR 4,311,455.47, of which EUR 2,417,628.21 represented the fixed part and EUR 1,893,827.26 the variable part.

The direct remuneration paid to the members of the Executive Committee amounted to EUR 4,092,824.08 whereas the indirect remuneration was EUR 218,631.39.

Members of the Executive Committee also participate in the company's executive stock options plan established by the Board of Directors on January 31, 2002. During 2007 the members of the Executive Committee were awarded a combined total of 250,933 options to acquire company FDRs at an exercise price of EUR 14.54, the price being based on the average of the closing price on the Luxembourg Stock Exchange of the first 20 trading days after the annual general meeting. For U.S. tax payers, the exercise price has been increased to EUR 15.80. A quarter of those options vested on January 1, 2008, the remaining quarters vesting on January 1, 2009, 2010 and 2011. In 2007 members of the Executive Committee were granted 85,187 restricted shares as part of the company's long term incentive plan as well as 30,344 performance shares to match the restricted shares granted in 2006. These shares will vest after three years.

During 2007, none of the members of the Executive Committee exercised any options.

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

On December 31, 2007 the members of the Executive Committee owned a combined total of 78,870 shares and FDRs, and 1,417,675 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.

## 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 5, 2007, the shareholders retained Ernst & Young for another year and approved its remuneration, with a majority of 99.99%. The mandate of Ernst & Young will expire at the annual general meeting on April 3, 2008.

## 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 designed to ensure:

- the efficiency and effectiveness of operations;
- the integrity and reliability of financial and operational information, both for internal and external use;
- the safeguarding of assets; and
- the compliance of actions and decisions with applicable laws, regulations, standards, internal rules and contracts.

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 Committees of SES ASTRA, SES AMERICOM and SES NEW SKIES 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). This framework provides reasonable assurance that the internal control objectives are being achieved and is consistent with the reference framework proposed by the French securities regulator, 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' applicable to all employees, officers and directors of the company, its subsidiaries or other controlled affiliates has been established to reinforce the corporate governance principles and control environment.

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. The Executive Committee of SES has initiated a project supported by a cross-functional group to ensure a consistent implementation of the code of conduct in all the entities of the group.

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. 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. 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.

# Corporate governance

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
- \_ in the context of the external audit of the group, the tax risk position of the group is subject of discussion with the external auditors (and their local tax specialists) semi-annually on the basis of a 'tax risk memo' as prepared by tax management department. In the event any residual tax risk is identified, it can be determined to form a tax provision to cover potential P/L impacts on an entity or group basis.

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

- \_ 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; 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 in 2006, 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.

During the course of the year, the Internal audit department completed an external quality review based on a self-assessment with independent external validation. The review confirmed that the Internal audit department generally conforms to all of the Institute of Internal Auditors (IIA) professional standards.

## Human resources

### Human resources strategy

SES is positioning itself as the employer of choice in the industry. The company identifies, secures, engages, develops and retains the best talent to further expand SES' technological reach and business objectives.

SES respects and trusts its people, embraces diversity and lives by its values. Its leaders role model the behaviours outlined in the SES leadership competencies.

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 our 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 2007, SES employed a total of 1,550 staff<sup>1</sup>. The detail is shown in the table below.

	2007
SES	58
SES ASTRA	368
SES AMERICOM	414
SES NEW SKIES	169
APS	148
SES SIRIUS	41
ND SatCom	330
Other participations	22
<b>Total</b>	<b>1,550</b>

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

## 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: 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. 1,756,320 options were granted in 2007 to 165 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, in the case of senior executives, on restricted shares and on performance shares (shares which are only granted in case the company and the executive meet or exceed a certain performance threshold). 203,365 restricted shares and 69,768 performance shares were granted in 2007.

## 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. 863,041 STARs were granted in 2007.

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

## The Human resources (HR) function

SES was supported at year end by a team of HR staff spread through all SES companies. An HR council ensures the operational coordination on a regular basis.

Additionally, 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 VoE survey was conducted at the end of 2006, and dedicated follow-up actions were planned and implemented in 2007.

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. The company's intranet was significantly enhanced and remains a preferred vehicle for successful 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 has further developed the AMERICOM University and the SES Training and Education Programme (STEP) in 2007.

In 2007, core and functional competencies were introduced to provide SES with the necessary capabilities and know-how for the future.

# Corporate governance

## Building outstanding leadership talent

SES focuses on identifying and developing high-potential leadership talent by means of succession planning. This includes participation in executive development programmes, coaching and stretch assignments. A talent inventory process and a global succession plan for critical positions was conducted in 2007.

SES implemented a global 'Developing Tomorrow's Leaders' programme in 2007. The first class involved 36 executives from all SES operating companies and segments. The programme will be extended in 2007 to include approximately 25 additional leaders.

SES has a 'Global Development Programme' which is used for cross-functional and cross-continent talent exchange. The first SES expanded Executive and Management Committee meeting was held in Berlin, Germany in October 2007.

## 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, the legal framework provides for a personnel delegation and a mixed committee.

The personnel delegation consists of seven members who are 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.

At SES S.A. the legal framework provides for a personnel delegation, which currently consists of one member.

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 ensures that the group's external communications comply with applicable legal and regulatory requirements.

## Our corporate social responsibility policy

In 2007, SES implemented a corporate social responsibility programme aligned with the company's values. Global reputation is born out of local action. SES' corporate social responsibility (CSR) programme has been elaborated to reflect this approach by deploying CSR projects and activities in those areas of the world in which the SES group has activities or provides communications services.

Our CSR programme is aimed primarily at supporting educational projects, which are directed towards the development of a knowledge and communications-based society. We believe that this is a key element in the emergence of a model for sustainable development. Our CSR programme attempts to reflect SES' positioning in the field of global communications infrastructure and services provision.

SES is a signatory to the 'Corporate Social Responsibility Charter', elaborated jointly by a number of Luxembourg-based companies, which commits its signatories to promote the principles of CSR and to reflect and implement these in their everyday operations.

In 2007, SES supported the 'One Laptop per Child' project (OLPC), a worldwide non-profit initiative aimed at improving the communication and education infrastructure in developing countries by launching a low-cost, web-connected laptop. Both SES ASTRA and SES AMERICOM are corporate partners of the scheme, together contributing know-how for the conceptual development of the project and US\$ 2 million of financial support. OLPC is managed through a spin-off of the Massachusetts Institute of Technology, and is supported by a range of corporate partners. Further information on OLPC can be found at [www.laptop.org](http://www.laptop.org).

In 2007, SES continued to support the scholarship programme of the Society of Satellite Professionals International, a U.S.-based non-profit association for the professional development of satellite industry professionals worldwide.

We also pursued our cooperation with the International Space University in Strasbourg, France, financing student scholarships for advanced studies of space applications.

SES supported Luxembourg's 'Business Initiative 123-GO' aimed at advancing the development of innovative business projects, and provided financial support for Institut St. Joseph of Betzdorf, Luxembourg, a home for mentally handicapped persons.

In 2007, SES NEW SKIES supported the NEPAD (The New Partnership for African Development) e-schools initiative which aims to develop ICT skills in Africa by equipping all African primary and secondary schools with computers, networks and other equipment and connect them to the internet. SES NEW SKIES is providing satellite capacity and teleport services and, together with equipment partners, it has committed to provide a total satellite solution to 35 schools. NEPAD has received endorsements of support from the U.N. and the G8.

The company also continued its financial support for the activities of Action Medical Research.

SES AMERICOM made a financial donation to support Habitat for Humanity, which builds homes for families in low income situations and to the Susan G. Komen's 'Race for the Cure', which benefits breast cancer research and awareness. SES AMERICOM matched donations made by its employees (to the rate of one dollar for each two dollars donated) to a number of colleges and universities. The company also matched OLPC laptop donations made by employees. Employees also participated in the 'Race for the Cure' in Virginia and in New Jersey, and worked on homes for 'Habitat for Humanity'.

#### **Cultural sponsorships**

In 2007, SES was an official partner of 'Luxembourg and Greater region – European capital of culture 2007', an all-year regional culture festival focusing on Luxembourg and the neighbouring regions of Belgium, France and Germany, as well as on the region of Sibiu in Romania.

SES supported the Steichen Foundation, an organisation named after photographer Edward Steichen. SES' support goes toward a scholarship awarded every second year and which enables artists from the 'Greater Luxembourg' region (including neighbouring areas of Belgium, France and Germany) to temporarily live and work in the city of New York.

SES continued its financial support of 'Musek am Syrdall', a local music festival in Luxembourg.

#### **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 basic 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 wherever possible, in order to make maximum use of energy. 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.