



SES Remuneration Policy

as last amended by the Board of Directors on 5 December 2019

and by the Shareholders in the AGM on 2 April 2020



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1. Purpose and scope of the Policy

The purpose of the present Policy is to describe the remuneration paid by the Company to the Directors and to the members of its Executive Committee ('ExComm members').

It describes:

- how it contributes to the Company's objectives relating to its business strategy and long-term interests and sustainability;
- the different components of remuneration, including all bonuses and other benefits in whatever form, if any, awarded to Directors and ExComm members, and indicates their relative proportion;
- how the pay and employment conditions of employees of the Company were taken into account when establishing the Policy;
- the duration of the contracts or arrangements with the Directors and ExComm members, the applicable notice periods, the main characteristics of supplementary pension or early retirement schemes and the terms of, and payments linked to, termination;
- the decision-making process followed for the determination, review and implementation of the Policy, including measures to avoid or manage conflicts of interest and, where applicable, the role of the Remuneration Committee;
- the procedural conditions under which any derogation from the Policy can be applied as well as the elements of the Policy from which a derogation is possible.

The Policy covers all forms of remuneration being paid either to a Director or an ExComm member.

2. The Policy

The Company is the world's leading satellite operator with over 70 satellites in two different orbits, Geostationary Orbit (GEO) and Medium Earth Orbit (MEO). It provides a diverse range of customers with global video distribution and data connectivity services through two business units: SES Video and SES Networks. SES Video reaches over 355 million TV homes, through Direct-to-Home (DTH) platforms and cable, terrestrial, and IPTV networks globally. SES Video delivers a full suite of innovative end-to-end value-added services for both linear and digital distribution, and includes the ASTRA satellite system, which has the largest DTH television reach in Europe. SES Networks provides global managed data services, connecting people in a variety of sectors including telecommunications, maritime, aeronautical, and energy, as well as governments and institutions across the world. The SES Networks portfolio includes GovSat, a 50/50 public-private partnership between the Company and the Luxembourg government, and O3b, the only non-geostationary system delivering fibre-like broadband services today.



The Company must attract suitable Directors and ExComm members to continue its success. Along with being an overall attractive Company, remuneration is one part of the Company's ability to do so. Consequently, this Policy contributes to the Company's business strategy and long-term interests and sustainability.

Remuneration must reflect the degree of required qualifications and experience of the Directors and ExComm members, the risks that they take personally, and honour the dedication and efforts that the Directors and ExComm members put into the Company. The Remuneration must also be relative to the pay and employment conditions of the employees of the Company.

2.1 Remuneration of Directors

The remuneration granted to Directors consists of:

- a fixed annual fee and
- a fee per Board or committee meeting attended as described below.

All these fees are net of any Luxembourgish withholding taxes on directors' fees. Board members do not receive any stock options, nor do they receive any bonus.

2.1.1 Fixed remuneration per year

The fixed component of the remuneration encompasses EUR 40,000 per year whereas the Vice Chairs each receive an annual fixed fee of EUR 48,000 and the Chair receives a fee of EUR 100,000 per year.

Any Director chairing one of the committees set up by the Board (if not the Chairman of the Board) receives an annual fee of EUR 8,000. The Chair of the Audit and Risk Committee (if not the Chairman of the Board) receives an annual fee of EUR 9,600.

2.1.2. Remuneration per meeting

Directors receive EUR 1,600 for each Board meeting or Board committee meeting they attend, with the exception of the Audit and Risk Committee for which a fee of EUR 1,920 per meeting is paid.

It is important to note that a Director participating in more than one committee meeting on the same day will receive the attendance fee for one meeting only. If the Director participates in the meeting via telephone or videoconference, then half of the attendance fee is paid.

2.1.3. The terms of the Directors.

In general, the Company's directors are elected for terms of three years. If a Director leaves the Board during his/her term, the Company may co-opt a Director to finish that mandate.

A Director can be revoked at any moment by the shareholders. There is no notice period for a Director.

The maximum tenure on the Board is limited to 12 years (generally four terms of 3 years each).



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

2.2 Remuneration of ExComm members

The remuneration of ExComm members comprises the following two major components:

- the **compensation package** composed of the:
 - yearly base salary (“**YBS**”);
 - annual bonus (“**AB**”);
 - long-term equity (“**LTE**”);
- the **benefits** including, but not limited to:
 - company car;
 - pension and health care plans;
 - death and disability insurance.

In line with the Charter of the Remuneration Committee of the Company, remuneration matters of the ExComm members are reviewed, discussed and decided by the Remuneration Committee.

2.2.1 Yearly base salary

The base salary of ExComm members is reviewed by the Remuneration Committee in its first meeting of the year. The Remuneration Committee has the sole authority, besides the legally required cost of living adjustments (i.e. Luxembourg index), to adjust the YBS of ExComm members.

For all new nominations as ExComm member, remunerations are set by the Remuneration Committee on the basis of external benchmarks provided by compensation consultants, thereby considering employment conditions at the time of the offer.

2.2.2 Annual bonus (AB)

The main objective of the bonus plan for the ExComm is to create a performance reward scheme, that links annual variable compensation to the Company’s financial results as well as the ExComm members’ personal and collective performance. Through this plan, the Company ensures alignment and focus on the company objectives.

The AB of ExComm members is based on the yearly performance during the relevant year and is paid out in March of the following year after review by the Remuneration Committee in its first meeting of the year.

The AB target for ExComm members ranges from 50% to 100% of YBS.

The minimum pay-out can be as low as 0% of the AB (in other words no bonus payment), with a maximum pay-out capped at 150% of the bonus target.



The AB of each ExComm member is composed of two parts:

a) Financial performance (accounting for 50% of the AB)

The financial performance measures the actual achievement vs. budget for the following set of metrics with their respective weights: EBITDA (60% of the AB), net profit (20% of the AB) and net operating cash flow (20% of the AB). The budget targets for those measures are set during the annual budget process and finally approved by the Board. CEOs of SES Networks and SES Video are also measured on the financial performance vs. budget of their respective business units.

b) Individual performance (accounting for 50% of the AB)

The individual performance is split into two equal components:

1. achievement against individual objectives (25% of the AB);

The individual objectives are set at the beginning of each year by the Remuneration Committee based on a proposal prepared by the CEO together with the ExComm.

The Remuneration Committee determines, at the end of each year, whether the relevant ExComm member achieved his individual objective targets during that year. It will do so

- for the CEO: based on a proposal by the Chairman of the Board and
- for the other ExComm members: based on a proposal by the CEO.

2. a discretionary part solely determined by the Remuneration Committee (25% of the AB).

The discretionary element is fixed by the Remuneration Committee based on several factors including business and individual performance of the ExComm member.

2.2.3 Long-Term Equity (LTE)

The LTE is regulated by the EBCP.

The objective of the EBCP is to enhance the competitiveness of the Company and its affiliates in attracting and retaining the best global executive talent, and to position the Company as a global employer of choice. Moreover, the EBCP is designed to ensure that SES group executives become shareholders of the Company, feel a sense of ownership, and benefit from their contribution to increasing shareholder value.

To this end, the EBCP provides for the discretionary grant or award of equity-based incentive compensation in the form of:

- a) stock options, representing one third of the total LTE grant,
- b) restricted shares, representing one sixth of the LTE grant and
- c) performance shares, representing one half of the LTE grant and with a vesting which is subject to both the individual performance of the executive and the Company's financial performance.

The grant shall be determined by the Remuneration Committee at its sole discretion.



For ExComm members, the annual LTE grant value ranges from 58% to 105% of the YBS.

a) Stock Options

The stock option is a standard call option with a maturity of 10 years from the date of the option grant.

The final strike price corresponds to the average of 15 days closing prices of the Company's FDRs at the Paris stock exchange after the allocation of options by the Remuneration Committee.

The grant value is determined by the multiplication of the YBS with the applicable percentage.

The number of stock option units is derived directly by dividing the grant value by the value of the stock option which is computed by an external and independent valuation firm and using a Binomial or Black-Scholes valuation (Aon-Hewitt in the past years). The final stock option valuation of each grant is then approved by the Remuneration Committee.

The stock options must vest before they can be exercised. The vesting period of stock options is four years with an annual vesting of 25% on 1 January of each year. As an example, if 100 stock options are granted in May 2019, the first 25 stock options can be exercised as of 1 January 2020, the next 25 as of 1 January 2021, the next 25 as of 1 January 2022 and the final 25 as of 1 January 2023.

b) Restricted Shares

The restricted shares are FDRs granted to the executives with the sole condition that on the day the restricted shares vest, the executive is employed by the Company. The restricted shares vest on 1 June of the third year following the year of the grant. No step vesting is applied in order to enhance the retention factor.

The number of restricted shares granted to each executive is determined by multiplying the relevant YBS with the applicable percentage and divided by the average 15 days preliminary share price.

c) Performance Shares

Performance shares are FDRs granted to the executives and the following two criteria must be fulfilled for the performance shares to vest entirely:

1. the compounded three years adjusted EVA is positive; and
2. over the three years vesting period, personal objectives have to be met ("successful performance") and can only be one year slightly below expectations for a successful performer.

The adjusted EVA measures the value created in excess of the required rate of return the Company has to provide to shareholders and debtholders. The adjusted EVA is generally reviewed by the Remuneration Committee in its second meeting of each year.

In the event that only criteria 1. is not fulfilled, a ratchet table will apply to determine the proportion of performance shares that will vest (minimum 50% and maximum 100% payout).



The number of performance shares is determined by multiplying the YBS with the applicable percentage and divided by the average 15 days preliminary share price.

The executives must, when exercising their vested stock options and their vested shares, do this in accordance with the regulations of the French stock market authorities AMF and the SES Code of dealing securities (i.e. require the prior authorization from the Corporate Secretary and/or Chief Financial Officer, not during a closed period, others). As for the members of the Board, the exercises by the ExComm members are reported on the Company's website under About Us -> Corporate Governance -> Management Disclosures.

2.2.4 Benefits

The following key benefits are provided to ExComm members, the amounts of which are aligned with local practices:

- pensions and health care plans: in Luxembourg, pension contributions of 7% up to the Social Security Ceiling (SSC) and 19% for the portion of salary above the SSC. The complementary pension scheme is a defined contribution scheme. In the US, restoration plans are in place to provide retirement benefits that supplement the tax-qualified, defined-contribution pension account defined in subsection 401(k) of the United States Internal Revenue Code;
- health check-up for ExComm members;
- death and disability insurances;
- company car or car allowances.

In addition to the above:

- several ExComm members benefit from temporary tax support and participation in school fees;
- one ExComm member benefits from additional pension plan arrangements;
- one ExComm member benefits from a UK based benefit package that includes life, disability and health insurance as well as gross pension allowance.

2.2.5 Employment, Resignation and Termination

ExComm members are hired on a permanent basis and employment contracts are drafted according to local regulations.

One ExComm member has an employment contract with an American subsidiary of the Company while all other ExComm members have employment contracts with the Company or a Luxembourg subsidiary of the Company.

In case of resignation or termination, any unvested portion of outstanding stock options, restricted and performance shares is immediately forfeited. This excludes members leaving the Company due to disability or for retirement, benefitting from an immediate vesting of all unvested equity.

The Company and the ExComm member can terminate the employment contract respecting the legal notice period. For the ExComm member with an employment contract with an American subsidiary



of the Company the employment contract stipulates a notice period of 30 days in case of termination or resignation.

All members of the ExComm are entitled to two years of YBS in case of termination without cause. The indemnity includes statutory severance payment, if any.

2.2.6 ExComm members share ownership program

The ExComm members have an obligation to invest in the Company's equity (executive share ownership). Over a period of five years (with equal yearly investment), the ExComm members have to hold in total one time their YBS and the CEO two times his YBS.

This program aims at assuring that ExComm members become shareholders of the Company, feel a sense of ownership, and focus on creating shareholder value.

3. Shareholder Vote

The present Policy will be submitted to a shareholders vote at the next annual general meeting, as will any material subsequent changes. The policy will be submitted to the shareholders at a minimum every four years.

While the vote by the shareholders at the general meeting is advisory only, the Company will pay its Directors and ExComm members only in accordance with a remuneration policy that has been submitted to a vote at the general meeting. If the general meeting rejects the proposed remuneration policy, the Company will submit a revised policy to a vote at the following general meeting.

4. Disclosure

After the vote of the shareholders this Policy together with the date and the results of the vote shall be made available on the website of the Company where it will remain publicly available, free of charge, as long as it will be applicable.

5. Periodic review

This Policy shall be reviewed on a regular basis, but at least every three years.

The Remuneration Committee shall be responsible for advising the Board on any concrete amendment suggestions to this Policy. The final version that will be submitted to the shareholders will be approved by the Board.

6. Glossary

| Term | Description |
|---------------------------------|---|
| AB | bears the definition set out under item 2.2 (<i>Remuneration of ExComm members</i>) of this Policy. |
| Audit and Risk Committee | the Audit and Risk Committee of the Company, which assists the Board in carrying out its oversight responsibilities in relation to corporate policies, risk management, internal control, internal and external audit, and financial and regulatory reporting practices. |
| Company | SES S.A. |
| Board | the Board of Directors of the Company (<i>conseil d'administration</i>). |
| Director(s) | the members of the Board. |
| EVA | economic value added. |
| EBCP | the Company's equity based compensation plan, as last modified by the Board on 25 July 2019. |
| ExComm member | the members of the Executive Committee. |
| LTE | bears the definition set out under item 2.2 (<i>Remuneration of ExComm members</i>) of this Policy. |
| Luxembourg Company Law | the Luxembourg Law of 10 August 1915 on commercial companies as amended by the Law of 10 August 2016. |
| Policy | this document, which contains the Company's policy on the remuneration of the Directors and ExComm members. |
| Remuneration Committee | <p>the remuneration committee of the Company, which determines the remuneration of the members of the Executive Committee, and advises on the overall remuneration policies applied throughout the Company. It acts as administrator of the Company's long-term equity plans.</p> <p>It also reviews and recommends any change to the existing remuneration scheme of the members of the Board of Directors, considering best practices in this matter.</p> |
| YBS | bears the definition set out under item 2.2 (<i>Remuneration of ExComm members</i>) of this Policy. |

7. Applicable regulations

| Term | Description |
|------------------------------------|--|
| Ten Principles of the LuxSE | the X Principles of Corporate Governance of the Luxembourg Stock Exchange, 4 th edition, December 2017. |
| Shareholders Rights Law | the Luxembourg law of 24 May 2011 on shareholders rights, as amended. |

Appendix

List of the Identified Directors as of 29 February 2020

| Name | Job Title |
|--------------------------------|------------------|
| Serge Allegrezza | Director |
| Romain Bausch | Director |
| Victor Casier | Director |
| Hadelin de Liedekerke Beaufort | Director |
| Frank Esser | Director |
| Tsega Gebreyes | Director |
| Paul Konsbruck | Director |
| Ramu Potarazu | Director |
| Kaj-Erik Relander | Director |
| Anne-Catherine Ries | Director |
| Marc Serres | Director |
| François Tesch | Director |
| Françoise Thoma | Director |
| Katrin Wehr-Seiter | Director |

List of the Identified Executive Committee members as of 29 February 2020

| Name | Job Title |
|----------------------|--|
| Steve Collar | CEO |
| John Baughn | Chief Services Officer |
| Christophe De Hauwer | Chief Strategy and Development Officer |
| John-Paul Hemingway | CEO, SES Networks |
| Ferdinand Kayser | CEO, SES Video |
| John Purvis | Chief Legal Officer |
| Ruy Pinto | Chief Technology Officer |
| Evie Roos | Chief Human Resources Officer |