

## SES Remuneration Report

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### REMUNERATION REPORT

#### Directors Remuneration

The Annual General Meeting of shareholders has approved the remuneration of the Members of the Board of Directors through approving a resolution that has been submitted by the Board of Directors.

In 2020, the shareholders decided to maintain the fees paid to the directors at the previous year's level with a majority of 97.62%. The fees paid to the Board have not been increased since 2008, except for the fees paid to the members of the Audit and Risk Committee which have been increased in 2015.

Directors each receive a fixed fee of €40,000 per year, whereas each of the Vice Chairs receives an annual fixed fee of €48,000 and the Chair receives a fee of €100,000 per year.

A director who chairs one of the committees set up by the Board, if not the Chair of the Board of Directors, receives an additional remuneration of €8,000 per year. A director who chairs the Audit and Risk Committee, if not the Chair of the Board of Directors, receives an additional remuneration of €9,600 per year.

The shareholders also maintained the fees at €1,600 for each Board or Board committee meeting, except for the meetings of the Audit and Risk Committee for which directors receive €1,920 per meeting. A director participating in more than one committee meeting on the same day will receive the attendance fee for one meeting only.

Half of the attendance fee is paid if the director participates in the meeting via telephone or videoconference. All fees are net of any Luxembourg withholding taxes.

The total net remuneration fees expensed for the year 2020 to the members of the Board of Directors (net of the Luxembourg withholding tax) amounted to €794,907 of which €216,640 were variable fees, with the remaining €578,267 representing the fixed part of the Board fees. The gross overall figure (including withholding taxes) for the year 2020 was €993,633.

These amounts cover the fees paid for six Board meetings, the meetings of the Board Committees described in the table below, as well as two meetings of the Chairperson's Office. The amounts relate to the Board fees actually expensed during the year 2020.

During 2020, the Board and the Committees of the Board were composed as follows:

- Romain Bausch, Chair (until April 2020 and member until June 2020)
- Frank Esser, Chair (from April 2020)
- Tsega Gebreyes, Vice-Chair
- Anne-Catherine Ries, Vice-Chair
- Serge Allegrezza
- Peter van Bommel (from April 2020)

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- Victor Casier (until April 2020)
- Béatrice de Clermont Tonnerre (from April 2020)
- Hadelin de Liedekerke Beaufort (until April 2020)
- Paul Konsbruck
- Ramu Potarazu
- Kaj-Erik Relander
- Marc Serres (until April 2020)
- François Tesch (until April 2020)
- Françoise Thoma
- Katrin Wehr-Seiter

The committees, chair, members, and the number of meetings held in 2020 are as follows:

### Committee Membership and Meetings

Audit and Risk Committee	Nomination Committee	Remuneration Committee	Strategy <sup>1</sup> Committee
<b>Chair</b>			
Katrin Wehr-Seiter	Anne-Catherine Ries	Françoise Thoma	Frank Esser
<b>Members</b>			
Serge Allegrezza	Béatrice de Clermont Tonnerre (from April)	Serge Allegrezza	Peter van Bommel
Peter van Bommel (from April)	Frank Esser (from April)	Frank Esser (from April)	Béatrice de Clermont Tonnerre
Kaj-Erik Relander	Tsega Gebreyes	Peter van Bommel (from April)	Ramu Potarazu
Françoise Thoma	Kaj-Erik Relander	Ramu Potarazu (from April)	Paul Konsbruck
Victor Casier (until April)	Paul Konsbruck (from April)	Katrin Wehr-Seiter	
Ramu Potarazu (until April)	Romain Bausch (until April)	Romain Bausch (until April)	
	François Tesch (until April)	Hadelin de Liedekerke Beaufort (until April)	
	Françoise Thoma (until April)	Tsega Gebreyes (until April)	
<b>Number of Meetings</b>			
<b>4</b>	<b>6</b>	<b>7</b>	<b>2</b>

(1) As part of a series of cost savings measures, no fees for attendance at the Strategy Committee in 2020 will be paid

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The detailed overview of the individual remunerations expensed in 2020 and 2019 to each Director is provided as follows.

in EUR	2020 (for Meetings Q1 2020 to Q4 2020) <sup>1</sup>				2019 (for Meetings Q1 2019 to Q4 2019)			
	Directors Remuneration	Attendance Fees	Taxes	Total	Directors Remuneration	Attendance Fees	Taxes	Total
Serge Allegrezza	40,000	22,560	15,640	<b>78,200</b>	40,000	22,080	15,520	<b>77,600</b>
Romain Bausch	35,000	14,400	12,350	<b>61,750</b>	100,000	31,200	32,800	<b>164,000</b>
Marc Beuls	-	-	-	-	12,400	5,440	4,460	<b>22,300</b>
Peter van Bommel	30,000	10,880	10,220	<b>51,100</b>	-	-	-	-
Victor Casier	10,000	2,560	3,140	<b>15,700</b>	40,000	17,280	14,320	<b>71,600</b>
Beatrice de Clermont-Tonnerre	30,000	9,600	9,900	<b>49,500</b>	-	-	-	-
Frank Esser	81,667	15,200	24,217	<b>121,083</b>	-	-	-	-
Tsega Gebreyes	48,000	15,200	15,800	<b>79,000</b>	46,000	20,800	16,700	<b>83,500</b>
Paul Konsbruck	40,000	16,000	14,000	<b>70,000</b>	23,333	6,400	7,433	<b>37,167</b>
Conny Kullman	-	-	-	-	23,667	8,000	7,917	<b>39,583</b>
Hadelin de Liedekerke Beaufort	10,000	800	2,700	<b>13,500</b>	40,000	15,200	13,800	<b>69,000</b>
Ramu Potarazu	40,000	17,920	14,480	<b>72,400</b>	40,000	14,240	13,560	<b>67,800</b>
Kaj-Erik Relander	40,000	18,400	14,600	<b>73,000</b>	40,000	22,080	15,520	<b>77,600</b>
Anne-Catherine Ries	56,000	19,200	18,800	<b>94,000</b>	50,667	25,600	19,067	<b>95,333</b>
Jean-Paul Senninger	-	-	-	-	18,333	1,600	4,983	<b>24,917</b>
Marc Serres	10,000	4,000	3,500	<b>17,500</b>	23,333	6,400	7,433	<b>37,167</b>
François Tesch	10,000	5,600	3,900	<b>19,500</b>	42,000	21,600	15,900	<b>79,500</b>
Françoise Thoma	48,000	24,160	18,040	<b>90,200</b>	44,333	31,680	19,003	<b>95,017</b>
Katrin Wehr-Seiter	49,600	20,160	17,440	<b>87,200</b>	45,600	18,880	16,120	<b>80,600</b>
Jean-Paul Zens	-	-	-	-	22,333	6,400	7,183	<b>35,917</b>
<b>Total</b>	<b>578,267</b>	<b>216,640</b>	<b>198,727</b>	<b>993,633</b>	<b>652,000</b>	<b>274,880</b>	<b>231,720</b>	<b>1,158,600</b>

(1) Given the continuing application of the sanitary and social distancing measures linked to the COVID-19 pandemic, Board and Board Committee meetings held in Q4 2020 are considered as held physically



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### REMUNERATION OF THE MEMBERS OF THE SLT

The remuneration of the members of the SLT is determined by the Board and is based on recommendations from the Remuneration Committee.

The remuneration of the SLT members comprises two major components:

1. the compensation package composed of
  - the yearly base salary
  - an annual bonus and
  - long-term equity (LTE)
2. a benefits package which is aligned with local and market practices

The average to highest compensation ratio (comprising annual base salary, bonus and equity at target) for all employees at the level of SES S.A. is at 1 to 14 which remains below market benchmarks and ratios which can be observed in CAC 40 or FTSE 100 companies.

The amounts indicated in the remuneration report relate to the remuneration of the SLT members while serving in the SLT. Six members were active in the SLT for the full year 2020.

Chief Executive Officer (CEO)	Steve Collar	Full year 2020
Chief Strategy and Development Officer	Christophe De Hauwer	Full year 2020
CEO SES Networks	John-Paul Hemingway	Full year 2020
Chief Human Resources Officer	Evie Roos	Full year 2020
Chief Technology Officer	Ruy Pinto	Full year 2020
Chief Services Officer	John Baughn	Full year 2020
CEO SES Video	Ferdinand Kayser	1 January to 30 June 2020
Chief Legal Officer	John Purvis	1 January to 30 June 2020
Chief Legal Officer	Thai Rubin	1 July to 31 December 2020
Chief Finance Officer	Sandeep Jalan	6 May to 31 December 2020

Ferdinand Kayser, CEO SES Video, stepped down from the SLT in June 2020 and retired in December 2020 after serving as Strategic Advisor to the CEO.

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Sandeep Jalan, Chief Financial Officer, joined in May 2020 while Thai Rubin was appointed Chief Legal Officer in July 2020 in succession to John Purvis who stepped down from the SLT.

The total remuneration of the CEO and other SLT members follows the principles set out in the Remuneration policy and is provided in the table below:

in EUR	2020 Remunerations						Average to highest compensation ratio at the level of SES
	Annual Base Salary	Annual Bonus <sup>1</sup>	Long Term Equity <sup>2</sup>	Pension Expenses	Other Benefits and Payments <sup>3</sup>	Total	
Chief Executive Officer	735,438	367,719	718,844	125,865	53,112	2,000,977	14x
Other Executive Committee Members	2,584,984	934,957	1,407,047	376,857	737,247	6,041,091	7x
<b>Total 2020</b>	<b>3,320,421</b>	<b>1,302,675</b>	<b>2,125,891</b>	<b>502,721</b>	<b>790,359</b>	<b>8,042,068</b>	-

in EUR	2019 Remunerations <sup>5</sup>					
	Annual Base Salary	Annual Bonus	Long Term Equity	Pension Expenses	Benefits and Other Payments	Total
Chief Executive Officer	717,500	556,211	387,554	215,525 <sup>6</sup>	78,401	1,955,191
Other Executive Committee Members	3,094,612	2,249,910	1,519,238	725,826	1,273,620	8,863,205
<b>Total 2020</b>	<b>3,812,112</b>	<b>2,806,121</b>	<b>1,906,791</b>	<b>941,351</b>	<b>1,352,021</b>	<b>10,818,396</b>

(1) Including 50% reduction in bonuses for SLT members, as part of a series of cost savings measures implemented to mitigate the impact of the pandemic crisis 2020 bonuses will be paid in 2021

(2) 2020 amortization of Long Term Equity grants

(3) Other benefits and payments include health care plans, death and disability insurance, company cars or car allowances and other payments

(4) Average to highest compensation ratio (comprising annual base salary, bonus and equity at target) for all employees at the level of SES S.A.

(5) 2019 remunerations were provided on a cash basis

(6) 2019 pension expenses were provided on a cash basis and include the 2019 as well as part of the 2018 contributions made to pension schemes

## Compensation Package

### Yearly Base Salary

The yearly **base salary** is reviewed annually by the Remuneration Committee. For the new nominations made in 2020, base salaries were set based on external benchmarks while also considering the degree of qualification and experience required as well as the employment conditions at the time of the offer.

Yearly base salaries in Luxembourg were impacted in January 2020 by the legally required cost of living adjustment (Luxembourg Index).

In 2020, no departure indemnities other than for retirement were paid to the departing SLT members.

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### Annual Bonus

The main objective of the **annual bonus** plan is to create a performance reward scheme that links annual variable compensation to the company's financial results and the performance of SLT members against specific business objectives.

The 2020 annual bonus plan of SLT members is composed of two parts, each accounting for 50% of the bonus: (i) the financial performance of the Company; and (ii) the performance against business objectives.

The financial performance measures actual achievement vs. budget for three elements, most important of which is group EBITDA (accounting for 60%), complemented by net profit (20%) and net operating cash flow (20%). The Board of Directors sets annual targets during the annual budget process and confirms annual achievement. In 2020, the Group financial performance payout was confirmed at 78% based on the weighted results for the three metrics.

The business objectives are set annually at the beginning of the year by the SES Board and relate to the strategic roadmap of the company. In 2020, the two most important business objectives were: (i) obtaining a FCC Final Order and (ii) execution of the Simplify and Amplify Project targeting €20m EBITDA improvements in 2020, ramping to €40 million in 2021 and €50m for 2022 and beyond through scope, footprint and organizational changes. The SES Board confirmed an achievement for 2020 of 122% which applies equally to each SLT member including the CEO.

Over the course of the year 2020, Management has implemented a series of cost savings measures to mitigate the impact of the pandemic crisis. These measures include a reduction of bonuses by 50% for all staff, including the CEO and other SLT members.

The 2020 annual bonus relates to the 2020 performance year and will be paid in March 2021.

The overview of the 2020 annual bonus of the CEO and other SLT members is provided in the table below:

in EUR	Bonus at target (Abs.)	Bonus at target (% of Base Salary)	Maximum award limit (150%)	Percentage achievement	Bonus Amount	Bonus Amount after 50% reduction <sup>1</sup>
<b>Chief Executive Officer - Annual Bonus 2020 performance year</b>	<b>735,438</b>	<b>100%</b>	<b>1,103,156</b>	<b>100%</b>	<b>735,438</b>	<b>367,719</b>
- Financial Performance (50%)	367,719	50%	551,578	78%	286,821	143,410
- Business Objectives (50%)	367,719	50%	551,578	122%	448,617	224,308
<b>Other Executive Committee Members - Annual Bonus 2020 performance year</b>	<b>1,869,913</b>	<b>[50-80]%</b>	<b>2,804,870</b>	<b>100%</b>	<b>1,869,913</b>	<b>934,957</b>
- Financial Performance (50%)	934,957	[25-40]%	1,402,435	78%	729,266	364,633
- Business Objectives (50%)	934,957	[25-40]%	1,402,435	122%	1,140,647	570,324

*(1) Management has implemented a 50% reduction in 2020 bonuses for all staff including CEO and Executive Committee members, as part of a series of cost savings measures to mitigate the impact of the pandemic crisis*

In 2020, the Board approved a change in the 2021 bonus plan design for closer alignment with market practices as follows: 70% weight to financial performance and 30% to business objectives. The metrics

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assessing the financial performance will include Revenue (40%), EBITDA (40%) and net operating cash flow (20%). This change in the bonus plan will apply from 2021 performance year onwards and is included in the Remuneration Policy which will be submitted to the General Assembly for consultative vote.

### Long Term Equity Incentives

The third element of the compensation package relates to the **long-term equity** granted by the Company. The plan, administered by the Remuneration Committee, permits the grant of three equity types: (i) stock options; (ii) restricted shares; and (iii) performance shares. The 2020 total grant value was divided into one-third of stock options, one-sixth of restricted shares, and one half of performance shares.

The stock option is a standard call option with a maturity of 10 years. The final strike price is determined as the fair market value with an average of 15 days closing prices at the Paris stock exchange after the numbers of options have been determined by the Board. The vesting period is over four years with a yearly vesting of 25% on 1 January of each year following the grant.

The Restricted Shares are FDRs granted with the sole condition that, at vesting, the SLT member must be employed by SES. The Restricted Shares vest on 1 June of the third year following the year of their grant.

Performance Shares are FDRs granted to SLT members with vesting subject to the outcome of the compounded three years adjusted Economic Value Added (adjusted EVA).

During 2020, the members of the SLT were awarded a combined total of 1,170,443 options to acquire company FDRs at an exercise price of €5.973 as well as 64,564 restricted shares as part of the company's long-term incentive plan and 193,692 performance shares. The CEO was awarded 302,827 stock options, 16,176 restricted shares and 48,528 performance shares.

The detailed overview of the 2020 equity grant and vesting for the CEO and other SLT members is provided as follows:

in EUR	Long Term Equity Plan - 2020 Grant				Equity Vesting in 2020	
	Components	Grant Year	Vesting Year <sup>1</sup>	Units granted	Grant Year	Units vested
<b>Chief Executive Officer</b>	Stock Options	2020	2021 to 2024	302,827	2016 to 2019	218,747
	Performance Shares	2020	2023	48,528	2017	8,719
	Restricted Shares	2020	2023	16,176	2017	2,990
<b>Other Executive Committee Members</b>	Stock Options	2020	2021 to 2024	867,616	2016 to 2019	319,873
	Performance Shares	2020	2023	145,164	2017	26,247
	Restricted Shares	2020	2023	48,388	2017	9,001

(1) Stock Options: vesting period over four years with a yearly vesting of 25% on 1 January of each year following the grant

(1) Performance and Restricted Shares: vesting on 1 June of the third year following the year of the grant



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When exercising their vested stock options and their vested shares, the SLT members must do this in accordance with the SES Dealing Code (including requiring the prior authorization from the Deputy Corporate Secretary and/or Chief Financial Officer and provide selling orders outside of a closed period).

During 2020, Ferdinand Kayser and Christophe De Hauwer sold some or all of the restricted and performance shares that vested on 1 June 2020. No stock options were exercised in 2020. Steve Collar, Christophe de Hauwer, John Baughn, Evie Roos, John-Paul Hemingway, John Purvis and Ruy Pinto bought additional shares during 2020.

As for the members of the Board, all transactions are reported on the SES website:

<https://www.ses.com/investors/shareholder-information/shares/management-disclosures>.

### **Benefits package**

As for the benefits provided to members of the SLT, they are aligned with local and market practices and include pensions, health care plans, death and disability insurances, company cars or car allowances and other payments.