

REMUNERATION OF THE CORPORATE OFFICERS OF EUTELSAT COMMUNICATIONS FOR FISCAL YEAR 2015-16

During its meeting held on 28 July 2016, and based on a recommendation by the Remuneration Committee, the Board of Directors of Eutelsat Communications approved the fixed and variable components of compensation paid to Michel de Rosen, Chairman, Rodolphe Belmer, Chief Executive Officer and Michel Azibert, Deputy Chief Executive Officer.

Fixed and variable compensation for FY 2015-16 are presented in the tables below:

Fixed compensation

	FY 2015-16
Michel de Rosen	€333,333 ¹
Rodolphe Belmer	€379,167 ²
Michel Azibert	€205,160

Variable compensation

	FY 2015-16
Michel de Rosen	€0
Rodolphe Belmer	€235,938
Michel Azibert	€205,160

In accordance with the AFEP-MEDEF recommendation, the variable part of the corporate officers' remuneration is based on predetermined qualitative and quantitative targets. The annual variable portion for corporate officers for the financial year 2015-2016 may vary from 0 to 105 % of the fixed portion for M. de Rosen and M. Azibert, and between 0% and 100% for M. Belmer. It is entirely determined by performance criteria that include:

For Michel de Rosen:

- Quantitative targets at Group level (52%), linked to turnover (for 30%), to EBITDA (for 40%) and consolidated net income (for 30%);
- qualitative targets (for 48%).

Upon a proposition by M. de Rosen, it was decided not to attribute to him a variable remuneration in respect of Financial Year 2015-16.

For Rodolphe Belmer

- Quantitative targets at Group level (50%), linked to turnover (for 30%), to EBITDA (for 40%) and consolidated net income (for 30%);
- qualitative targets (for 50%).

For Financial Year 2015-16 the variable remuneration is calculated *prorata temporis* since 1st December 2015, date at which M. Belmer joined Eutelsat, first as Deputy Chief Executive Officer and as Chief Executive Officer from 1st March 2016.

¹ OW 266,667 euros as Chairman and Chief Executive until 29th February 2016 and 66,667 as Chairman of the Board since 1st March 2016

² *Prorata Temporis* since 1st December 2016 when M. Belmer joined the Group initially as Deputy CEO and subsequently as CEO from 1st March, on the basis of an annual fixed salary of 650,000 euros

After reviewing the targets, the variable part of M. Belmer's remuneration for financial year 2015-2016 stands at 62% of the gross annual fixed compensation, i.e. 235,398 Euros on a *pro rata temporis* basis. The quantitative targets were achieved for 54.16% and the qualitative targets for 70%.

For Michel Azibert:

- Quantitative targets at Group level (33.33%), linked to turnover (for 30%), to EBITDA (for 40%) and consolidated net income (for 30%);
- Specific quantitative targets related to functions of Group Head of Sales and Development (for 42.86%);
- Qualitative targets (for 23.81%).

After reviewing the targets, the variable part of the Deputy CEO's remuneration for financial year 2015-2016 stands at 56.46% of the gross annual fixed compensation, i.e. 205,160 Euros. The quantitative targets were achieved for 54.16% at group level and 44.44% at the commercial level while the qualitative targets were achieved for 70%.

Long Term Incentive Plan

Phantom share allocation plan of 13 February 2014

Under this plan Mr. de Rosen could have received to a maximum of 20,444 phantom shares and Mr. Azibert of 14,578 shares subject to the achievement of the performance objectives set by the Board of Directors (a 25% objective based on cumulative EBITDA, a 25% objective based on average ROCE³, a 25% objective linked to cumulative EPS and a 25% TSR-linked objective) over FY 2013-14, FY 2014-15 and FY 2015-16.

On 28 July 2016, the Board of Directors decided on the definitive granting of 5,724 phantom shares to Mr. de Rosen and 4,082 to Mr. Azibert, i.e. an acquisition rate of 28%.

The definitive granting of these shares will take place as of 1st September 2016.

Free Share Allocation Plan of 16 February 2016

Elsewhere, on 16 February 2016, the Board of Directors approved a plan for the allocation of free shares to Corporate Officers, executives and to certain employees of the Group.

The number of free shares theoretically acquired is equal, for Mr. de Rosen to 100% (125% from M. Belmer and 100% for Mr. Azibert) of the gross annual base salary divided by the average prices of the Eutelsat Communications share over the last 20 trading days prior to the opening date of the plan. Respectively, after taking into account the *pro rata temporis*, a total of 4,700 shares for M. de Rosen, 28,619 shares for M. Belmer and 12,800 shares for M. Azibert.

The performance objectives fixed by the Board of Directors are of one third an objective based on EBITDA⁴, one third an objective based on ROCE and one third a relative TSR⁵ objective over the defined period of three years.

The definitive granting of these shares will take place as of 17 February 2019 subject to fulfilment of the performance conditions mentioned above.

Within three years from the date of the definitive granting of the shares and provided that the performances after the three years following the grant of the shares allow the vesting of at least 50% of the free shares granted, corporate officers have to own Eutelsat shares for an amount equivalent to a certain percentage of their salary. This percentage is 200% of the gross annual base salary for M. Belmer and 100% of the gross annual base salary for M. Azibert.

³ Return on Capital Employed = operating results / (Equity+net debt – goodwill)

⁴ Earnings before interest, tax, depreciation and amortisation

⁵ Change in the value of shares based on actual performance plus dividend