

COMPENSATION PAID TO EUTELSAT COMMUNICATIONS' CORPORATE OFFICERS ("MANDATAIRES SOCIAUX")

During the meeting held on 25 April 2017, the Board of Directors of Eutelsat Communications approved:

- the appointment of Mr. Yohann Leroy as Deputy CEO and Chief Technical Officer, upon recommendation by the Governance and Selection Committee
- upon recommendation by the Remuneration Committee and pursuant to the Group's compensation policy,
 - compensation paid to Mr. Yohann Leroy,
 - as every year, a new long-term incentive plan designed for corporate officers.

The other components of compensation paid to corporate officers remain unchanged compared to the items of remuneration disclosed in the 2015-2016 Reference Document.

Compensation paid to Mr. Yohann Leroy

The compensation determined for Mr. Yohann Leroy starting on 25 April 2017 which was the date of his appointment as Deputy Chief Executive Officer and Chief Technical Officer is in line with market practices. It breaks down as follows:

Fixed compensation:

The gross annual fixed compensation will amount to 230,000 euros.

Annual variable compensation:

The gross annual variable compensation may reach 50% of the gross annual fixed compensation on the basis of performance-related criteria to be defined each year by the Board of Directors upon recommendation of the Compensation Committee.

Long-Term Incentive Plan:

A long-term incentive plan based on phantom shares will be granted to Mr. Yohann Leroy for an amount representing 40% of his gross annual fixed compensation. Granting of shares is subject to a three-year vesting period and the achievement of performance-related conditions to be defined each year by the Board of Directors upon recommendation of the Compensation Committee.

Benefits in kind:

A company car is made available to Mr. Yohann Leroy, which represents an annual amount of 4,085 euros.

Non-compete clause:

Within 18 months from the date of termination of office, Mr. Yohann Leroy agrees to refrain from working directly or indirectly for any satellite operator. In consideration of this non-compete commitment during the 18-month period, he shall receive a monthly lump-sum allowance amounting to 50% of his gross annual salary received on the date of his termination of office, to take into consideration the highly competitive industry of satellite operators. Eutelsat has the right to waive the non-compete clause.

Financial Year 2016-17:

In respect of the financial year 2016-2017, the fixed and variable components of compensation paid to Mr. Yohann Leroy are calculated on a pro-rata basis, in proportion to the number of days in office.

Phantom share allocation plan of 25 April 2017

On 25 April 2017, the Board of Directors approved a plan for the allocation of phantom shares to the Group's corporate officers. The decision to resume the allocation of phantom shares rather than the grant of free shares is linked to the latest developments in French taxation law.

The allocation of phantom shares upon expiry of the plan is represented by a cash bonus payment based on the number of phantom shares vested, which is subject to the achievement of performance-related conditions and to the condition that the beneficiaries be employed within the Group over the three financial years concerned (financial years 2016-2017, 2017-2018 and 2018-2019).

The number of phantom shares theoretically acquired represents:

- for Mr. Belmer: 125% (unchanged from the free share plan of 16 February 2016) of the gross annual base salary divided by the average price of the Eutelsat Communications share over the last 20 trading days prior to the opening date of the plan, which amounts to 38,380 "theoretical" shares;
- for Mr. Azibert: 120% (unchanged from the free share plan of 16 February 2016) of the gross annual base salary divided by the average price of the Eutelsat Communications share over the last 20 trading days prior to the opening date of the plan, which amounts to 20,599 "theoretical" shares; Furthermore, it has been decided to change the percentage level for Mr. Azibert as follows: 140% for the next long term incentive plan and 160% for the following one;
- for Mr. Leroy: 40% of the gross annual base salary divided by the average price of the Eutelsat Communications share over the last 20 trading days prior to the opening date of the plan, which amounts to 4,346 "theoretical" shares;

The performance objectives set by the Board of Directors over the three financial year period are as follows:

- For 25% an objective based on relative TSR¹;
- For 25% an objective based on revenues;
- For 25% an objective linked to LEAP, the cost savings plan announced in February 2017;
- For 25% an objective based on discretionary free cash flow as defined by the Group.

The evolution of objectives compared to the objectives set under the free share allocation plan of February 2016 (based for one third on an EBITDA-based objective², for one third on a ROCE³-related objective, and for one third on an objective linked to Relative TSR) reflects the new strategy announced by the Group in June 2016 which aims in particular at maximising the cash flow generation.

These "theoretical" shares will fully vest starting in September 2019, subject to the achievement of performance objectives as mentioned above.

¹ TSR is Total Shareholder Return. Rate of return on a share over a given period, including the dividends received and the capital gain earned (i.e. variation in the share price). The Relative TSR is calculated in relation to a composite index corresponding to the arithmetic average of the following four indices: SBF 120, MSCI Europe Infrastructure, MSCI Europe Telecom and a composite index of the top three listed competitors in the satellite industry (SES, Intelsat, and Inmarsat).

² EBITDA is defined as operating income before depreciation, amortisation and other operating income/expenses.

³ ROCE is Return on Capital Employed = operating result / (shareholders' equity + net debt – goodwill).