EUTELSAT COMMUNICATIONS
Public limited company with a Board of Directors
with a share capital of 475 178 378 euros
Registered office: 32, boulevard Gallieni – 92130 Issy-les-Moulineaux
481 043 040 RCS Nanterre

Compensation policy for Corporate Officers in accordance with Article R. 22-10-14 IV of the French Commercial Code
Combined General Meeting held on Thursday November 23, 2023

The Combined General Meeting of the shareholders of the company Eutelsat Communications which was held on November 23, 2023 has approved without modification the resolutions related to the compensation policies of the Board members and the legal representatives as reminded in Annex to this document, as follows:

RESOLUTIONS	**RESULT OF THE VOTE**
Approval of the remuneration policy for the Chairman of the Board of Directors (10th resolution)	Approved at 97.01 %
Approval of the remuneration policy for the Chief Executive Officer (11th resolution)	Approved at 89.01 %
Approval of the remuneration policy for the Deputy Chief Executive Officers (12th resolution)	Approved at 98.42 %
Approval of the remuneration policy for directors (13th resolution)	Approved at 97.01 %

Annex

Information concerning the compensation policy applicable as of 1st July 2023

Chapter 2.4.1 of the URD 2022-23 "Compensation policy (ex-ante vote)"

The compensation policy drawn up in accordance with Article L. 22-10-8 of the French Commercial Code and presented in the following section is submitted for approval to the present Annual General Meeting (AGM). This compensation policy cancels and replaces the compensation policy published in the 2022-23 Universal Registration Document (URD) pages 55-61. Accordingly, the same section headings and numbering have been used for ease of reference.

"CONTEXT A" OF PROPOSED MODIFICATIONS TO THE COMPENSATION POLICY

On September 28, 2023, the Company's shareholders approved the all-share combination with OneWeb. OneWeb is one of only two existing low earth orbit (LEO) satellite communications networks. The OneWeb combination strategically positions the Company to be a global leader in space communications creating the only combined GEO-LEO operator in the world. The Company now operates in a significantly different market environment characterized by fierce competition from fast-growing, disruptive companies such as Starlink. As result, the Company:

- is now dually listed on Euronext Paris Stock Exchange and the London Stock Exchange, broadening the Company's regulatory and governance requirements as well as the Corporate Officer responsibilities;
- has grown from a fleet of 37 geostationary satellites to more than 600 LEO satellites, increasing the operational complexities, the number of ground stations and their management;
- now employs more than 1,700 employees worldwide, a more than 40% increase;
- as part of the telecom pivot, has shifted its profile significantly to that of a growth tech company, with a higher execution risk;
- to ensure it delivers on its growth and synergies commitments communicated to the market, will require strong implication from the Board and top management.

Pursuant to the foregoing, the Board of Directors, through the assistance of the Compensation Committee, engaged Willis Towers Watson, a compensation consultant, to conduct a market study to ensure the Company is able to attract, retain and motivate quality Corporate Officers to lead it through this transformational strategic journey.

2.4.1.1 General compensation principles

The Board of Directors ensures that the compensation policy for Corporate Officers, proposed by the Compensation Committee, is consistent with the Company's interests, in line with its commercial strategy and able to promote its performance and its competitiveness over the medium to long term in order to ensure its continuity.

The general principles behind the compensation policy are to attract, retain and motivate top-ranking executives and to align their interests with value creation necessity for the Group, taking into account the Group's capital intensity, its high-technology environment, its long-term investment horizon and the challenges in terms of growth in a very competitive environment as well as the highly international dimension of the Group and its vision.

The Board of Directors, on recommendation of the Compensation Committee, determines the general principles and characteristics governing the compensation policy for Corporate Officers. It ensures the implementation of this policy by assessing the level at which the various criteria have been met. Resolutions by the Board of Directors are therefore passed after seeking the opinion and recommendations of the Compensation Committee.

Executive Corporate Officers take no part in the vote on their compensation. See Section 2.3.4 of the 2022-23 URD for further information on conflicts of interests.

In exceptional circumstances, the Board of Directors may, in accordance with Article L. 22-10-8-III of the French Commercial Code, deviate from the application of the compensation policy provided this is on a temporary basis, consistent with the Company's interests and necessary to ensure the Company's continuity or viability. In particular, the Board of Directors may, on recommendation of the Compensation Committee, change the performance criteria for annual variable compensation, pluri-annual compensation, where relevant, and/or long-term compensation. For the avoidance of doubt, it is specified that, if applicable, any deviations from the compensation policy be strictly limited to one or more in the above mentioned items. Furthermore, the existing caps on the foregoing elements will remain unchanged.

Any such derogation must be rigorously applied and justified, notably as regards to its alignment with the shareholder interests. In accordance with the provisions of Articles L. 22-10-8-II and L. 22-10-34-II of the French Commercial Code, the annual variable compensation will continue to be subject to approval by the Annual General Meeting and may only be paid if that meeting votes in favour thereof.

2.4.1.2 Chairman of the Board of Directors

The compensation structure for the non-executive Chairman of the Board of Directors is comprised exclusively of Board compensation (previously referred to as attendance fees).

In line with his non-executive role and consistent with market practices in France, the Chairman of the Board of Directors does not receive any annual variable compensation, pluri-annual compensation or short-term cash compensation, nor the benefit of any long-term incentive scheme.

The Board compensation paid to the Chairman of the Board of Directors is allocated in accordance with the rules determined by the Board of Directors and set out herein. These allocation rules, which apply to all the Directors, include a variable portion based on attendance for each meeting of the Board of Directors, as well as a specific fixed annual portion. These rules are set out below.

If a new Chairman of the Board of Directors is appointed, the principles, criteria and elements of the compensation set out in the compensation policy for the Chairman of the Board of Directors will apply.

For details on the Chairman of the Board and his/her mandate, see Section 2.1.2 of the 2022-23 URD.

2.4.1.3 Board Members

The maximum annual sum allocated to Board members compensation of 985,000 euros has been unchanged since its approval by the AGM on 8 November 2017. The combination with OneWeb results in the Board growing by 50% from 10 members to 15 members. Given this growth in the size of the Board, the adjustment of the fixed annual part detailed below and in order to accommodate the creation of a new Strategy Committee, shareholders are requested to approve an increase to the maximum Board member compensation envelope to 1,690,000 euros. This increase is in line with higher oversight responsibilities in the context of a changing business profile and ambitious financial targets.

The criteria for the apportioning of this sum are set out below.

The rules for the award of Board Members' Compensation primarily take into account the actual attendance of the members at meetings of the Board and of its Committees, in accordance with Article 21 of the Afep-Medef Code.

"CONTEXT B" OF PROPOSED ADJUSTMENTS TO DIRECTOR COMPENSATION

As described in the Context A section above, the compensation benchmark study with respect to Director compensation showed that the Chairman's fixed fees as well as the Board member fixed fees were significantly below the French market levels. Further, given the increased responsibilities of the Board and the Chairman, the increased complexities of the business and subsequent increased oversight responsibilities, pursuant to the recommendation of the Compensation Committee, the Board proposes to shareholders the adjustments to the Director compensation policy as detailed below:

PROPOSED ADJUSTMENTS TO THE DIRECTOR COMPENSATION

Board of Directors:

- the fixed annual part for the Chairman of 175,000 euros has been unchanged since its approval in 2017. Considering the context changes detailed in sections "Context A" and "Context B" above, shareholders are asked to increase the Chairman's fixed fee to 260,000 euros. Even with this change, the Chairman's fixed fee would remain well below the median of the French SBF 120;
- fixed annual part for the Vice Chairman of 30,000 euros – remains unchanged;
- the fixed annual part of 15,000 euros per Board member has been unchanged since its approval in 2014. Considering the context changes detailed in sections "Context A" and "Context B" above,

shareholders are asked to increase the Board member fixed fee to 25,000 euros. Even with this change, the Board members' fixed fee would remain below the median of the French SBF 120;

‣ an annual supplement of 10,000 euros for each Director residing outside France (pro-rated based on physical attendance) – remains unchanged;

‣ variable part of 4,000 euros per Board member for each Board meeting attended – remains unchanged.

Audit, Risk and Compliance Committee:

‣ fixed annual part of 4,000 euros per Committee member (increased to 14,000 euros for the Committee Chairman) – remains unchanged;

‣ variable part of 3,000 euros per Committee member for each Committee meeting attended – remains unchanged.

Governance and Nominations Committee:

‣ fixed annual part of 3,000 euros per Committee member (increased to 8,000 euros for the Committee Chairman) – remains unchanged;

‣ variable part of 2,000 euros per Committee member for each Committee meeting attended– remains unchanged.

Compensation Committee:

‣ fixed annual part of 3,000 euros per Committee member (increased to 8,000 euros for the Committee Chairman) – remains unchanged;

‣ variable part of 2,000 euros per Committee member for each Committee meeting attended – remains unchanged.

CSR Committee:

‣ fixed annual part of 3,000 euros per Committee member (increased to 8,000 euros for the Committee Chairman) – remains unchanged;

‣ variable part of 2,000 euros per Committee member for each Committee meeting attended – remains unchanged.

Strategy Committee (new committee): As part of the OneWeb transaction, a new Strategy Committee has been created[1]. Accordingly, shareholders are requested to approve a committee compensation structure aligned with the Board's other committees:

‣ fixed annual part of 3,000 euros per Committee member (increased to 8,000 euros for the Committee Chairman);

‣ variable part of 2,000 euros per Committee member for each Committee meeting attended.

***Ad hoc* Committee:**

‣ only a variable part of 1,000 euros per Committee member for each Committee meeting attended – remains unchanged.

Directors may receive reasonable additional Board compensation for taking part in specialised Committees, chairing such Committees or performing special duties, such as acting as Vice Chairman or Lead Director, as decided by the Board and in line with the rules on the award of Board compensation set out above.

The performance of a special duty entrusted to a Director may give rise to reasonable compensation, depending on the decision of the Board and subject to the related party agreements regime, where applicable.

The Board compensation is paid once a year after the close of the financial year. Pursuant to Article L. 22-10-34-II of the French Commercial Code, the payment of Board compensation for that financial year is subject to approval by the AGM of the compensation policy.

The fixed annual part (applicable to Board and Committee members) is prorated based on the duration of the mandate during the financial year considered. In addition, in the event that the number of meetings held mechanically leads to exceeding the 1,690,000 euros fee envelope decided by the AGM, the variable part would proportionally be reduced in order to stay within the ceiling set for this envelope, as was done for the financial years 2022 and 2023.

[1] Please refer to Prospectus published in connection with the OneWeb transaction for further details including the Strategy committee composition, available on the Company website.

If a new Director is appointed or a Director's term of office is renewed, the principles, criteria and elements of the compensation set out in the compensation policy for Directors will apply. For details on the Directors and their mandates, see Section 2.1.2 of the 2022-23 URD.

2.4.1.4 Executive Corporate Officer(s)

For details on the Executive Corporate Officer(s) and their mandates, see Sections 2.1.2 and 2.2.1 of the 2022-23 URD.

On the basis of the objectives previously mentioned, the Group has implemented a global compensation policy for the Executive Corporate Officers, structured as follows (see also the "Market Positioning Policy" section):

	Objective	**Key features**
Annual fixed salary	Recognise the level of responsibility in a competitive talent market.	See "Market Positioning Policy" Section.
Annual variable compensation	Ensure published financial targets are met and encourage the exceeding of the internal targets for the financial year.	Three sets of targets: ▸ Quantitative financial targets: "Operating Verticals" revenue; Adjusted Discretionary Free Cash Flow[1], total operating expenses[2], bad debt; ▸ Quantitative corporate social responsibility (CSR) objectives; ▸ Qualitative targets: specific objectives related to the strategic roadmap. See "Variable compensation policy" Section.
Pluri-annual variable compensation	N/A	None.
Long-term compensation (Long Term Incentive Plan)	Maximise mid-term value creation; Align the interest of Executive Corporate Officers with shareholders and other stakeholders; Retain key senior executives.	Grant of phantom shares or performance shares linked to 3-year value creation objectives: revenue linked to new verticals; Adjusted Discretionary Free Cash Flow; relative TSR[3]; criterion linked to CSR. See "Variable compensation policy" Section.
Compensation, indemnities or benefits due or likely to be due on termination or change of office	Severance Allowance	For the Chief Executive Officer, severance pay equivalent to 18 months of the fixed and variable annual compensation in the event of forced departure (except if due to gross negligence or wilful misconduct). Subject to performance conditions.
Exceptional compensation	N/A	See "Exceptional compensation" Section.
Benefits in kind	N/A	▸ Company car with or without chauffeur for the CEO; ▸ Company car for the Deputy CEO.
Board compensation	Compensation for the Board members.	For the Chief Executive Officer.

		The rules on the allocation of Board compensation (attendance fees) are set out in Section 2.4.1.3 of this document.
Non-compete undertakings	Take into account the highly competitive environment for satellite operators.	Non-compete clause: an allowance equivalent to 50% of the base salary during the 18-month period following termination of duties in return for an undertaking to refrain from working for any telecommunications satellite operator, directly or indirectly.
Supplementary pension scheme	N/A	None.
Group benefit and supplementary health plan	N/A	Executive Corporate Officers benefit from the supplementary health plans currently in force within the Group, on the same terms as those applying to the employee group to which they are assimilated for the calculation of their employee benefits.

(1) This indicator is described in Section 6.1.1 "Alternative Performance Indicators" of of the 2022-23 URD.

(2) Excluding bad debt.

(3) TSR is Total Shareholder Return over a given period, including the dividends received and the capital gain earned (i.e. variation in the share price).

Note:

i) the criteria used to determine the compensation of the Executive Corporate Officers include, *inter alia:* market positioning (see dedicated section), track record, office held and seniority;

ii) the precise weighting given to the different targets for annual variable compensation is determined by the Board of Directors, on recommendation by the Compensation Committee, on a case-by-case basis depending on the duties performed by each Executive Corporate Officer.

Market Positioning Policy

The competitiveness of the compensation policy is measured by reference to three distinct panels: 1) a French market panel comprised of French SBF 120 companies (excluding financial services), 2) by reference to a sectorial panel comprised of satellite industry players as well as 3) by reference to an international panel comprised mainly of companies belonging to the wider tech and telco industry aligned with Eutelsat's global connectivity footprint and technology.

"CONTEXT C" PROPOSED ADJUSTMENTS TO THE EXECUTIVE CORPORATE OFFICERS COMPENSATION

As described in the "Context A" section in the introduction of this compensation policy, given the transformative nature of the OneWeb transaction and the fact that the CEO's annual fixed compensation has been unchanged for over seven years, the Board engaged a compensation benchmark study to ensure the Company's continued ability to attract, retain and motivate quality Corporate Executive Officers.

This independent benchmark conducted by Willis Towers Watson showed that the CEO's annual fixed compensation is misaligned with the market and generally well below the 25th quartile of the 3 comparison panels described in the "Market Positioning Policy" section above. The incentives for overachieving the annual variable compensation targets are also below the median of all 3 comparison panels and the target grant of the long term incentive is si below the median of all 3 comparison panels. Consequently, the combined fixed, target annual variable and target long-term incentive package of the CEO is significantly below the median of all 3 comparison panels.

Furthermore, the increased responsibilities of Executive Corporate Officers, the heightened complexities of the business operations both in space and on the ground, a widely different competitive environment, the wider scope of the employee population and the need of ensuring the successful execution of the Group's telecom pivot strategy to drive value creation, require increased implication during this turning point in the Company's trajectory.

For these reasons, pursuant to the recommendation of the Compensation Committee, the Board proposes to shareholders the adjustments to the Executive Corporate Officer compensation policy as detailed below.

Annual fixed compensation

The annual fixed compensation for Executive Corporate Officers is awarded in consideration of their corporate functions, taking account of their individual merits in combination with market benchmarks.

Accordingly, it is determined on the basis of the following:

- the level and complexity of the duties and responsibilities attached to the corporate office held, each Executive Corporate Officer being vested with the broadest powers to act in the name of the Company, in all circumstances, and to represent it in its relationships with third parties;
- the track record, skills, experience, expertise, seniority and past functions of each Executive Corporate Officer;
- analyses and market studies relating to compensation for comparable functions and companies;
- a weighted emphasis on long-term compensation to ensure full alignment with the Company's long term investment horizon and shareholder interests.

In accordance with the Afep-Medef Code, the Board of Directors has decided that the annual fixed compensation of the Chief Executive Officer should only be reviewed at relatively long intervals. The last adjustment to the CEO's fixed compensation occurred in 2016.

A review can, however, be undertaken in the event of a material change to the scope of responsibility of the office concerned, such as that which may arise from changes to the Company itself or from a significant disparity as compared with the market positioning. In these specific circumstances, the adjustment of the fixed compensation, as well as the reasons for the adjustment, must be made public.

For other Corporate Officers, whether their fixed compensation should be reviewed, will be considered as deemed relevant by the Board of Directors.

The annual fixed remuneration is used as the basis for the calculation of the maximum percentage of variable annual compensation and valuation of the long-term incentives.

PROPOSED ADJUSTMENTS TO THE ANNUAL FIXED COMPENSATION

CEO

Pursuant to the context changes detailed in sections "Context A" and "Context C" above, shareholders are asked to increase the CEO's annual fixed compensation to 950,000 euros. Even with this change, the CEO's annual fixed compensation would remain either around or below the median of all 3 comparison panels described in the "Market Positioning Policy" section above,

Deputy CEO

The Company does not currently have a sitting Deputy CEO. Nonetheless, in order to maintain the flexibility and ability for the Board to nominate a Deputy CEO upon the proposal of the CEO, a Deputy CEO annual fixed compensation level must be voted on every year by shareholders pursuant to Article L. 22-10-8 of the French Commercial Code. While the annual fixed compensation level would be entirely dependent on any future potential candidate's profile, level of responsibility, skills, experience, expertise and seniority, shareholders are requested to approve a compensation level that would fall within the range of the former Deputy CEO's annual fixed compensation amount (which itself was similarly unchanged since 2016) and capped at the CEO's former annual fixed compensation amount applicable until financial year 2023.[2]

2 Specifically, within the range of 365,000 euros (rounded for practicality) and 650,000 euros (cap).

Variable Compensation

Annual variable compensation

Determination method

The potential amount of variable compensation is determined on the basis of, inter alia, observed market practices, and the achievement of performance levels in relation to key parameters and certain economic and personal, quantitative and qualitative performance targets, in line with the implementation of the Company's strategy.

The Board of Directors, on recommendation by the Compensation Committee, confirms and pre-determines these targets during the relevant financial year, as well as their weighting and the associated performance levels:

- threshold below which no compensation is paid;
- target level when the target is met; and
- maximum level evidencing overperformance of the target level set.

Precise quantitative economic performance targets, based on financial indicators, are set based on the budget or disclosed financial objectives pre-approved by the Board of Directors and are subject to performance thresholds.

The achievement level of the targets is disclosed once the performance has been assessed by the Board of Directors.

Detailed presentation of the characteristics for Executive Corporate Officers

The parameters are pre-determined by the Board of Directors during the relevant financial year. They are subject to change from one year to the next. The weighting given to each criterion for the Executive Corporate Officers is given in the following summary table.

(as a percentage of the fixed compensation)	**Executive Corporate Officer**
QUANTITATIVE FINANCIAL OBJECTIVES AT GROUP LEVEL	**65%**
"Operating Verticals" revenues(1)	26%
Adjusted Discretionary Free Cash Flow	26%
Total operating expenses(2)	9.75%
Bad debt	3.25%
QUANTITATIVE CSR OBJECTIVES	**15%**
QUALITATIVE OBJECTIVES	**20%**
TOTAL	**100%**

(1) Operating Verticals revenues is equal to Total Group revenues minus "Other revenues" as disclosed in Chapter 6 of this document.

(2) Excluding bad debt.

Compared with the policy approved by the AGM on 10 November 2022, the above includes the following adjustments:

- the weight of the Adjusted Discretionary Free Cash Flow has been slightly increased from 22.75% to 26% given the importance of cash generation to finance the development of the 2nd generation LEO satellites. This is just as important as generating revenue growth which is reflected in the equal weighting of the two KPIs;
- to permit the above, the weight of the total operating expenses has been proportionally slightly decreased from 13% to 9.75%;

There is no other change to the structure detailed above.

Method for calculating the Group quantitative financial objectives (minimum and maximum levels)

The quantitative financial part is paid up to a ceiling of:

- 150% if the overperformance level defined in relation to the budget is exceeded;

- 100% if the budget target level is reached;
- If the performance is below the target level, a threshold level is defined in relation to the budget for each indicator:

– for the “Operating Verticals” revenues growth. In this case, the payout for this criterion would be 80%,

– for the Adjusted Discretionary Free Cash Flow, total operating expenses and bad debt, the payout for this criterion would be 50%;

- 0% if the level achieved is lower than this threshold predefined by the Board.

The elasticity of each element is determined separately for each objective. The calculation is made at constant exchange rate and perimeter, with a nominal deployment plan and on straight-line basis between each threshold.

PROPOSED ADJUSTMENTS TO THE EXECUTIVE CORPORATE OFFICERS ANNUAL VARIABLE COMPENSATION OVERPERFORMANCE POTENTIAL

Compared to the policy approved by the Annual General Meeting on 10 November 2022, the above includes the following adjustments:

- As described in the “Context C” section above, the incentives for overachieving the annual variable compensation targets are below the median of all 3 comparison panels described in the “Market Positioning Policy” section above. Given the importance of ensuring the successful execution of the Group’s telecom pivot strategy, increasing the incentive of Executive Corporate Officers to overperform on the quantitative targets is fully aligned with shareholder interests as it aims to further drive value creation. Accordingly, shareholders are asked to increase the overperformance cap to 150%. Even with this change, the CEO’s maximum payout for the total annual variable compensation would remain either at or well below the median of all 3 comparison panels described in the “Market Positioning Policy” section above;
- The above adjustment would apply to any Executive Corporate Officer with the Board maintaining flexibility to apply a lower overperformance cap to any potential deputy CEO.

Quantitative CSR objectives

In order to take into account the growing importance of responsible development for the expectations of all stakeholders and to reinforce this dimension in the remuneration of Executive Corporate Officers, the Group has progressively introduced criteria related to the CSR (Corporate Social Responsibility) of the Company. These objectives represent 15% of the Executive Officer’s variable compensation. These CSR objectives are based on quantitative indicators and can relate to the reduction of the digital divide, the environment, employee engagement, the anti-corruption programme among other topics and are subject to change from year to year to reflect the strategic, business and managerial ambitions for the upcoming financial year.

The quantitative CSR part is paid up to a ceiling of:

- 150% if the target level is exceeded, necessarily an improvement compared to the previous year;
- 100% if the target level is reached, in general, an improvement on the previous year except in cases where maintaining the same level of past performance is in itself challenging;
- 80% if the threshold level is reached. If the performance is below the target level, a threshold is defined for each indicator;
- 0% if the level achieved is lower than this threshold.

The elasticity of each element is determined separately for each objective. The calculation is made at constant perimeter, with a nominal deployment plan and on straight-line basis between each threshold.

Compared to the policy approved by the General Meeting on 10 November 2022, the above includes the following adjustments:

- As described in the “Context “C section above, the incentives for overachieving the annual variable compensation targets are below the median of all 3 comparison panels described in the “Market Positioning Policy” section above. As with the quantitative financial KPIs described above, the quantitative CSR KPIs are of strategic importance to the Company. Accordingly, shareholders are asked to align the overperformance cap for the quantitative CSR CPIs to the same proposed overperformance cap as the quantitative financial KPIs of 150%. Even with this change, the CEO’s maximum payout for the total annual variable compensation would remain either at or well below the median of all 3 comparison panels described in the “Market Positioning Policy” section above;

‣ The above adjustment would apply to any Executive Corporate Officer with the Board maintaining flexibility to apply a lower overperformance cap to any potential deputy CEO.

For fiscal year 2023-24 the quantitative CSR objectives and weightings are as follows:

‣ 25% Environmental – related to implementing solar panels electricity generation at Eutelsat teleports measured by the total kWh/year attained over the 2024 financial year (requiring Capex investments to reach the objectives);

‣ 25% Digital Divide – related to reducing the digital divide in Africa measured by the number of individual new users connected with a target that almost doubles the levels reached to-date;

‣ 25% Social – related to Great Place To Work Survey key combined indicators: trust index scoring and a lower portion on the participation rating;

‣ 25% Compliance – related to reinforcing ongoing client verification procedures throughout the year measured by the percentage of customers covered over the 2024 financial year with a threshold of 50%, a target of 75% and an overperformance at 90%.

Qualitative objectives

These parameters are pre-determined by the Board of Directors during the relevant financial year and are subject to change from year to year to reflect the strategic, business and managerial ambitions for the upcoming financial year, for each office concerned. They may relate to, *inter alia,* implementation of the strategic guidelines approved by the Board of Directors, important industrial and commercial developments and programmes, and organisational and management actions. They do not relate to day-to-day tasks, but rather to specific actions in respect of which the Board of Directors expects specific performance further to the determination of targets that are as measurable as possible and assessed globally.

Cap

It is specified that in view of the foregoing, the amount of annual variable compensation may not exceed 140% of the fixed compensation for the Executive Corporate Officers (taking into account the possibility of payment of up to 150% in the event of overperformance on the 65% corresponding to the Group quantitative financial objectives and on the 15% of quantitative CSR objectives, the qualitative objectives being capped at 100%).

Payment conditions

In accordance with Article L. 22-10-34-II of the French Commercial Code, the payment of the annual variable compensation for the financial year 2022-23 to be paid in the financial year 2023-24 (within one month of its approval) is subject to approval by the AGM called to approve the financial statements for the financial year ending 30 June 2023.

Appointment or expiry of a term of office

In the event of an appointment or the expiry of a term of office in the course of the year, the foregoing principles apply for the period of time during which the duties were discharged *(prorata temporis).* However, with respect of any appointment made during the second half of the relevant financial year, performance is assessed on a discretionary basis by the Board of Directors, on proposal of the Compensation Committee.

Long-term incentives

Target set

The Board of Directors considers that this mechanism, which also applies to certain other key offices within the Company, is well-suited to the duties of Executive Corporate Officers given the expected level of their direct contribution to the long-term performance of the Company. This mechanism, which is based on the achievement of certain performance criteria over several years and on the change in value of the Eutelsat share price, makes it possible to strengthen the motivation and loyalty of these key functions while fostering the alignment of their interests with the interests of the Company and of its shareholders.

Detailed presentation of the characteristics of the long-term incentive plan

Vehicle

The long-term incentive plan is based on the allocation of phantom shares or performance shares of Eutelsat Communications. After a period of at least three years, the degree to which the performance criteria presented below are achieved will determine the number of shares vested. Once the vesting period is over, there are two options: in the case of phantom shares, a payment in cash based on the value of a Eutelsat Communications share on that date or, in the case of performance shares, the delivery of shares.

Obligation to retain shares

In the event of a grant of performance shares, the Executive Corporate Officers must retain, as a personal investment, 20% of the performance shares vested (after expiry of any holding period, where applicable) until the end of their last mandate as an Executive Corporate Officer. This retention obligation applies up to a value equivalent to 200% of their fixed annual remuneration. This is accompanied by a strict prohibition against using hedging instruments to cover the risk on the performance shares.

Performance criteria

The percentage of shares varies depending on the internal and external criteria performance level, which is measured over three years.

The internal criteria account for 80% and relate to:

- a revenue objective linked to the new verticals for 40%. This includes, notably, revenues from the Connectivity business, in line with the Group's strategic plan which calls for a return to growth on the back of capturing opportunities, notably, in the Mobility segment;
- Adjusted Discretionary Free Cash Flow (DFCF) for 20%;
- a quantitative criterion linked to CSR for 20%.

The revenues and DFCF objectives are confidential and based on the Group's Strategic Plan. For confidentiality reasons, the details of these targets are only made public *ex-post* and after their review by the Board of Directors.

The external criterion has a weighting of 20% and is based on a relative Total Shareholder Return (TSR) KPI compared to a panel of companies detailed below for the period set (three years from the grant date).

The index used for the relative TSR is calculated on the basis of the median of a panel of comparable companies, composed of key players in the Group's sector of activity.

The panel of comparable companies was selected based on the following rationale:

- satellite operators, which are the closest peers, however, given our niche activity only a limited number of listed satellite operators exist. These include: SES, ViaSat, Telesat and Echostar;
- TV operators given the weight of the Video business to the Group's sales and the resulting importance of TV operators. These include: RTL and TF1;
- European telecom operators. The Group's non-broadcasting activities consist, notably, of supplying connectivity and Internet access to individuals, companies and governments. The Telecom operators used are major customers for the Group (either in terms of interconnecting their mobile networks or the distribution of Fixed Broadband, Mobile Connectivity and Fixed Data Services). These include: BT, KPN, United Internet, Proximus, Telecom Italia and Nokia;
- Telecom infrastructure companies in view of the nature of the infrastructure of the Group's activity which is notably characterised by a high level of investment and long cycles. These include: Cellnex, Inwitt, Helios Towers and OVH Cloud.

The panel above has been adjusted to better reflect the change to the Group following the OneWeb transaction including the increased weight of connectivity in the business.[3]

For this criterion, the percentage of effective vesting of shares is as follows:

- 0% if performance is below the benchmark median;
- 100% if performance is equal to the benchmark median;
- 115% if the benchmark median is exceeded by 10 poits;
- 130% if the benchmark median is exceeded by 15 points.

There are no changes in the vesting scale compared to the policy approved by the Annual General Meeting on 4 November 2021.

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3 The panel of comparable companies for the TSR objective has been adjusted as follows: satellite competitors (the addition of Echostar), TV operators (given the increasing importance of connectivity, the removal of ProSieben Sat, Mediaset and ITV), Telecom operators (the addition of Nokia) and Telecom infrastructure (the addition of Helios Towers and OVH Cloud).

Presence Condition

The definitive vesting of shares is also subject to the presence of the beneficiary within the Company at the end of the vesting period. If the beneficiary leaves before the end of the vesting period, the basic principle is the loss of rights to shares. However, the Board of Directors may decide to maintain all or part of the benefit of the shares provided, subject to the justification and the explanation of the specific circumstances underlying its decision. Should this be the case, the Board of Directors must ensure that waiver of the criterion relating to presence is *prorata temporis* and is dependent on the achievement of performance criteria to ensure that payment can only take place at the end of the period set for the plan.

Grant cap

On the grant date, the value of the shares granted to the Executive Corporate Officers may not exceed a set percentage of their annual fixed compensation, set at 182% (target equal to 140% of the fixed annual salary with a potential vesting percentage of 130% in case of overperformance).

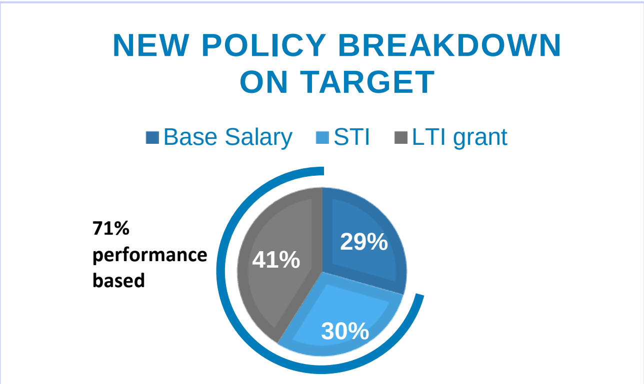
PROPOSED ADJUSTMENTS TO THE EXECUTIVE CORPORATE OFFICERS LONG TERM INCENTIVE TARGET GRANT

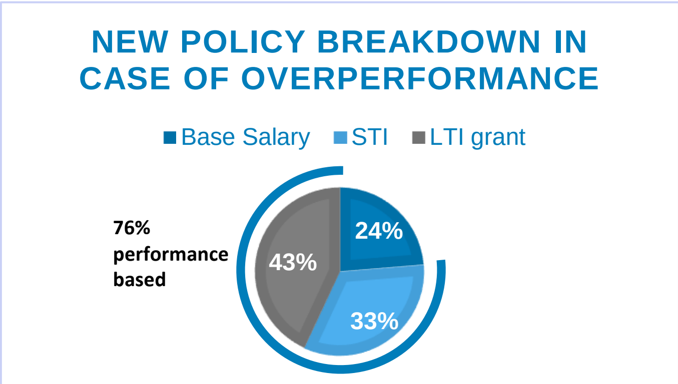
Compared to the policy approved by the Annual General Meeting on 10 November 2022, the Board proposes to shareholders the following adjustment to the executive corporate officer(s) long term incentive target grant:

- As described in the “Context C” section above, the target grant of the long term incentive is below the median of all 3 comparison panels described in the “Market Positioning Policy” section above. Given the importance of ensuring the successful execution of the Group’s telecom pivot strategy, which is intrisincally dependent on the development and operationalization of the 2nd generation LEO satellites with a long term investment horizon, increasing the preponderance of the long term component of the Executive Corporate Officers compensation is fully aligned with shareholder interests. Accordingly, shareholders are asked to increase the long term incentive target grant from 125% to 140% with the potential vesting percentage in case of overperformance of 130% unchanged. Even with this change, the CEO’s target grant of the long term incentive would remain either around or well below the median of all 3 comparison panels described in the “Market Positioning Policy” section above;
- The above adjustment would apply to any Executive Corporate Officer with the Board maintaining flexibility to apply a lower target grant to any potential deputy CEO.

Increasing the focus on performance and on the long-term

The revised compensation structure increases its emphasis on performance and on the long-term both at target and at overperformance. At target, the performance-based components represent 71% of the total (vs. 69% previously) while the long-term components represent 41% of the total (vs. 38% previously). This is further emphasized at overperformance, where the performance-based components represent 76% of the total (vs. 75% previously) while the long-term components represent 43% of the





total (vs. 41% previously).

Exceptional compensation

The exceptional compensation principle described below was approved by shareholders since 2017.

Executive Corporate Officers may receive exceptional compensation in very specific circumstances only, such as for example a significant transaction for the Group. In any event, should any such decision be taken by the Board of Directors:

- the amount of any such exceptional compensation may not exceed 100% of the target annual bonus of the Executive Corporate Officers for the financial year;
- it may not be paid before its approval by an Annual General Meeting;
- any such decision shall be made public immediately after the Board of Directors Meeting during which the decision was taken;
- the decision must be justified and must contain details of the event leading to it.

Any such exceptional compensation may also be justified in the event and context of the arrival of a new Executive Corporate Officer, for example, in order to indemnify the new Executive Corporate Officer for the loss of variable compensation as a result of leaving the previous employer.

Application of the exceptional compensation

As described in the "Context A" and "Context C" sections above, the transformational nature of the OneWeb transaction falls within the scope of the existing exceptional compensation in place since 2017, described above. On the recommendation of the Compensation Committee and following a dialogue with shareholders, the Board has decided to 1) apply the existing exceptional compensation policy for the first time, and, 2) in lieu of providing a cash bonus, provide the CEO with a performance share grant.

The objective of such grant is:

1) rewarding the CEO for the exceptional accomplishment of triggering and driving the OneWeb transaction to conclusion while at the same time enabling Eutelsat to be part of the consortium retained by the European Commission for the IRIS² constellation, innovating on the Company's approach to its GEO satellite investments (through the Thaicom agreement), progressing on the Company's telecom pivot with successful delivery of the Company's reorganization into two business units - Video and Connectivity, while delivering on a significant number of other key strategic objectives defined by the Board of Directors, all within the first 18-months of her arrival, and

2) retention and strengthened alignment with shareholders' interest given the long-term horizon required to deliver on the synergies and growth targets communicated to the market as part of the OneWeb transaction.

The exceptional performance share grant will occur following and subject to shareholder approval at the AGM called to approve the financial statements for the financial year ending 30 June 2023 and have the following characteristics:

- a grant amount equivalent to a maximum of 100% of the target annual bonus[4];
- subject to specific performance conditions directly linked to the objectives communicated with the OneWeb transaction, being assessed upon each tranche's due date (see details below);
- subject to presence conditions, being assessed upon each tranche's due date (see details below);
- certain of the same characteristics as those of the long term incentive plan of: a grant under IFRS valuation, the same retention obligation and strict prohibition against hedging, however, unlike the long term incentive plan, no overperformance is possible.

Performance criteria, tranches and vesting period

Pursuant to the foregoing, the Board of Directors, on the recommendation of the Compensation Committee, has defined specific performance conditions directly linked to the objectives communicated to the market as part of the OneWeb transaction. The target performance shares are granted in 3 tranches with the presence and performance conditions tested at the end of that particular tranche's vesting period as detailed below.

- **Tranche 1** (40% of the target grant) vesting June 30, 2024, with the final acquisition subject to approval of the AGM called to approve the financial statements for the financial year ending 30 June 2024, and subject to the following performance conditions:

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[4] *The target bonus references the target bonus submitted for shareholder approval at the AGM called to approve the financial statements for the financial year ending 30 June 2023.*

- fact based and measurable KPIs relating to the first steps of implementation of the transaction (implementation of the combined organisation, first steps of IT integration and progress on the synergies targets);

▸ **Tranche 2** (30% of the target grant), vesting June 30, 2025, with the final acquisition subject to approval of the AGM called to approve the financial statements for the financial year ending 30 June 2025, and subject to the following performance conditions:

- quantitative KPIs in line with published guidance on EBITDA minus Capex and Topline growth. Additionally, a fact based and measurable KPI relating to progress on Executive Committee succession plan construction aligned with the new organization;

▸ **Tranche** 3 (30% of the target grant), vesting June 30, 2026, with the final acquisition subject to approval of the AGM called to approve the financial statements for the financial year ending 30 June 2026, and subject to the following performance conditions:

- quantitative KPIs in line with published guidance on EBITDA minus Capex and Topline growth. Additionally, a fact based and measurable KPI relating to continued progress on Executive Committee succession plan construction aligned with the new organization.

For each of the tranches, the actual vesting would be as follows:

▸ 100% in case the target is met;

▸ If the performance is below the target level, a threshold is defined for each indicator;

▸ 0% if the level of achievement is lower than the threshold;

▸ Vesting is on straight-line basis between the threshold and target.

Non-compete undertaking

Executive Corporate Officers may benefit from an allowance equivalent to 50% of their base salary for 18 months after their term of office ceases in return for an undertaking not to work directly or indirectly for any telecommunications satellite operator.

This allowance will not be paid if the person concerned exercises his/her right to retire. In any event, no allowance may be paid after the age of 65.

Following dialogue with shareholders, the Board introduced the option for it to waive this commitment at its discretion.

Compensation and other benefits payable or likely to be payable as a result of or following the termination of office of the Group's Executive Corporate Officers

Executive Corporate Officers do not receive a supplementary pension from the Company.

PROPOSED ADJUSTMENTS TO THE CHIEF EXECUTIVE OFFICER SEVERANCE CLAUSE

Following dialogue with shareholders, the Board submits the following revised severance clause structure for shareholder approval in order to introduce performance conditions:

In the event of dismissal or forced resignation (whatever the circumstances, including but not limited to, in the context of a merger or spin-off or a change of control of the company within the meaning of Article L. 2333 of the French Commercial Code), the CEO will receive a severance payment equivalent to 18 months of the fixed and variable annual compensation. This severance payment will not be due in the event of the departure of the CEO of the Company on her/his own initiative or in the event of serious or gross misconduct.

The severance clause is subject to performance conditions related to the achievement of the objectives set and evaluated annually by the Board of Directors in respect of the annual variable compensation over the three financial years preceding the departure. The criteria for awarding annual variable remuneration, approved each year by the Board, are based on ambitious financial, operational and strategic objectives, with trigger thresholds. The basis of the severance pay will be multiplied by a coefficient equal to the average of the achievement rates of the performance criteria relating to the annual variable remuneration observed during the last three financial years preceding the termination of her functions (or since her/his appointment, in the event of a departure occurring during the first three financial years).

In any event, in accordance with the Afep-Medef Code, the total of the severance payment and non-compete allowance shall not exceed two years of fixed and variable compensation.