

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 20-F

(Mark One)

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2018
OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
- SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 001-35878

INTELSAT S.A.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Grand Duchy of Luxembourg
(Jurisdiction of incorporation or organization)

4 rue Albert Borschette
Luxembourg
Grand-Duchy of Luxembourg
L-1246
(Address of principal executive offices)

Michelle V. Bryan, Esq.
Executive Vice President, General Counsel and Chief Administrative Officer

Intelsat S.A.
4, rue Albert Borschette
L-1246 Luxembourg
Telephone: +352 27-84-1600
Fax: +352 27-84-1690
(Name, Telephone, E-Mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Name of Each Exchange On Which Registered</u>
Common Shares, nominal value \$0.01 per share	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the Annual Report.

138,018,894 common shares, nominal value \$0.01 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Note—checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards* provided pursuant to Section 13(a) of the Exchange Act.

* The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued
by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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FORWARD-LOOKING STATEMENTS

Some of the statements in this Annual Report on Form 20-F, or Annual Report, and oral statements made from time to time by our representatives constitute forward-looking statements that do not directly or exclusively relate to historical facts. The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for certain forward-looking statements as long as they are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements.

When used in this Annual Report, the words “may,” “will,” “might,” “should,” “expect,” “plan,” “anticipate,” “project,” “believe,” “estimate,” “predict,” “intend,” “potential,” “outlook” and “continue,” and the negative of these terms, and other similar expressions are intended to identify forward-looking statements and information. Examples of these forward-looking statements include, but are not limited to, statements regarding the following: our belief that the growing worldwide demand for reliable broadband connectivity everywhere at all times, together with our leadership position in our attractive sector, global scale, efficient operating and financial profile, diversified customer sets and sizeable contracted backlog, provide us with a platform for long-term success; our belief that the new and differentiated capacity of our next generation Intelsat Epic^{NG} satellites will provide inventory to help offset recent trends of pricing pressure in our network services business; our outlook that the increased volume of services provided by our Intelsat Epic^{NG} fleet is expected to stabilize business activity in the network services sector; our expectation that over time incremental demand for capacity to support the new 4K format, also known as ultra-high definition, could compensate for reductions in demand related to use of new compression technologies in our media business; our expectation that our investment in a new generation of ground hardware will simplify access to satellite communications, potentially opening much larger and faster growing sectors than those traditionally served by our industry; our belief that employing a disciplined yield management approach, and focusing our marketing and distribution strategies around our four primary customer sets will drive stability in our core business; our expectation that designing and deploying differentiated managed service offerings in targeted verticals, leveraging the scale, higher performance and better economics of our Intelsat Epic^{NG} fleet will drive revenue growth; innovate through targeted investments and partnerships to develop a standards-based ecosystem that will provide seamless interface with low earth orbit technologies and the broader telecommunications ecosystem; our ability to efficiently incorporate new technologies into our network to capture growth; our intention to maximize our revenues and returns generated by our assets by developing and managing our capacity in a disciplined and efficient manner; our projection that our government business will benefit from the increasing demands for mobility services from the U.S. government for aeronautical and ground mobile requirements; our intention to leverage our satellite launches and maximize the value of our spectrum rights, including the pursuit of partnerships to optimize new satellite business cases and the exploration of joint-use of certain spectrum with the wireless sector in certain geographies; our expectations as to the potential timing of a final U.S. Federal Communications Commission (“FCC”) ruling with respect to our C-band joint-use proposal; our intent to consider select acquisitions of complementary businesses or technologies that enhance our product and geographic portfolio; our belief that developing differentiated services and investing in new technology will allow us to unlock opportunities that are essential, but have been slow to develop due to cost and/or technology challenges; the trends that we believe will impact our revenue and operating expenses in the future; our assessments regarding how long satellites that have experienced anomalies in the past should be able to provide service on their transponders; our assessment of the risks of future anomalies occurring on our satellites; our plans for satellite launches in the near-term; our expected capital expenditures in 2019 and during the next several years; our belief that the diversity of our revenue and customer base allows us to recognize trends, capture new growth opportunities, and gain experience that can be transferred to customers in other regions; our belief that the scale of our fleet can reduce the financial impact of any satellite or launch failures and protect against service interruption; and the impact on our financial position or results of operations of pending legal proceedings.

Forward-looking statements reflect our intentions, plans, expectations, anticipations, projections, estimations, predictions, outlook, assumptions and beliefs about future events. These forward-looking statements speak only as of their dates and are not guarantees of future performance or results and are subject to risks, uncertainties and other factors, many of which are outside of our control. These factors could cause actual results or developments to differ materially from the expectations expressed or implied in the forward-looking statements and include known and unknown risks. Known risks include, among others, the risks discussed in Item 3D—Risk Factors, the political, economic and legal conditions in the markets we are targeting for communications services or in which we operate and other risks and uncertainties inherent in the telecommunications business in general and the satellite communications business in particular.

Other factors that may cause results or developments to differ materially from historical results or developments or the forward-looking statements made in this Annual Report include, but are not limited to:

- risks associated with operating our in-orbit satellites;
- satellite launch failures, satellite launch and construction delays and in-orbit failures or reduced satellite performance;

- potential changes in the number of companies offering commercial satellite launch services and the number of commercial satellite launch opportunities available in any given time period that could impact our ability to timely schedule future launches and the prices we pay for such launches;
- our ability to obtain new satellite insurance policies with financially viable insurance carriers on commercially reasonable terms or at all, as well as the ability of our insurance carriers to fulfill their obligations;
- possible future losses on satellites that are not adequately covered by insurance;
- U.S. and other government regulation;
- changes in our contracted backlog or expected contracted backlog for future services;
- pricing pressure and overcapacity in the markets in which we compete;
- our ability to access capital markets for debt or equity;
- the competitive environment in which we operate;
- customer defaults on their obligations to us;
- our international operations and other uncertainties associated with doing business internationally;
- litigation; and
- other risks discussed under Item 3D—Risk Factors.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee our future results, level of activity, performance or achievements. Because actual results could differ materially from our intentions, plans, expectations, anticipations, projections, estimations, predictions, outlook, assumptions and beliefs about the future, you are urged not to rely on forward-looking statements in this Annual Report and to view all forward-looking statements made in this Annual Report with caution. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

INDUSTRY AND MARKET DATA

This Annual Report includes information with respect to regional and sector share and industry conditions from third-party sources, public filings and based upon our estimates using such sources when available. While we believe that such information and estimates are reasonable and reliable, we have not independently verified the data from third-party sources, including *Euroconsult Satellite Communications & Broadcasting Markets Survey, 25th Edition (September 2018)*, *Euroconsult Prospects for In-Flight Entertainment and Connectivity, 6th Edition (June 2018)*, *Euroconsult Prospects for Maritime Satellite Communications, 6th Edition (March 2018)*, *NSR Government & Military Satellite Communications, 15th Edition (October 2018)*, *NSR Global Satellite Capacity Supply & Demand, 15th Edition (July 2018)*, *NSR Wireless Backhaul via Satellite, 12th Edition (April 2018)*, *NSR VSAT and Broadband Satellite Markets, 17th edition (December 2018)*, *NSR VSAT and Broadband Satellite Markets, 16th edition (November 2017)*, *NSR Aeronautical Satcom Market, 6th Edition (June 2018)*, *NSR M2M and IoT via Satellite, 9th Edition (September 2018)*, *NSR Maritime Services Markets, 6th edition (July 2018)*, *the World Bank Group, Seradata Spacetrak, Valour Constlancy In-Flight Connectivity Update Q3 2018 (November 2018)*, *Boeing Commercial Market Outlook (2017)*, and *GSMA Intelligence*. Unless otherwise specified, all references contained in this Annual Report to these third-party sources are as of the dates of these sources stated above. Similarly, our internal research is based upon our understanding of industry conditions, and such information has not been verified by independent sources. Specifically, when we refer to the relative size, regions served, number of customers contracted, experience and financial performance of our business as compared to other companies in our sector, our assertions are based upon public filings of other operators and comparisons provided by third-party sources, as outlined above.

Throughout this Annual Report, unless otherwise indicated, references to market positions are based on third-party market research. If a regional position or statement as to industry conditions is based on internal research, it is identified as management's belief. Throughout this Annual Report, unless otherwise indicated, statements as to our relative positions as a provider of services to customers and regions are based upon our relative share. For additional information regarding our regional share with respect to our customer sets, services and regions, and the bases upon which we determine our share, see Item 4B—Business Overview.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

In this Annual Report unless otherwise indicated or the context otherwise requires, (1) the terms “we,” “us,” “our,” “the Company” and “Intelsat” refer to Intelsat S.A., and its subsidiaries on a consolidated basis, (2) the term “Intelsat Holdings” refers to our indirect subsidiary, Intelsat Holdings S.A., (3) the term “Intelsat Investments” refers to Intelsat Investments S.A., Intelsat Holdings’ direct wholly-owned subsidiary, (4) the term “Intelsat Luxembourg” refers to Intelsat (Luxembourg) S.A., Intelsat Investments’ direct wholly-owned subsidiary, (5) the term “Intelsat Envision” refers to Intelsat Envision Holdings LLC, Intelsat Luxembourg’s direct wholly-owned subsidiary, (6) the terms “Intelsat Connect” and “ICF” refer to Intelsat Connect Finance S.A., Intelsat Envision’s direct wholly-owned subsidiary, (7) the term “Intelsat Jackson” refers to Intelsat Jackson Holdings S.A., Intelsat Connect’s direct wholly-owned subsidiary, and (8) the term “Intelsat” refers to specific Intelsat-satellites. We refer to Intelsat General Communications LLC, one of our subsidiaries, as “Intelsat General.” In this Annual Report, unless the context otherwise requires, all references to transponder capacity or demand refer to transponder capacity or demand in the C-band and Ku-band only.

A. Selected Financial Data

The following selected historical consolidated financial data should be read in conjunction with, and is qualified by reference to, Item 5—Operating and Financial Review and Prospects and our audited consolidated financial statements and their notes included elsewhere in this Annual Report. The consolidated statement of operations data and consolidated cash flow data for the years ended December 31, 2016, 2017 and 2018, and the consolidated balance sheet data as of December 31, 2017 and 2018 have been derived from audited consolidated financial statements included elsewhere in this Annual Report. The consolidated statement of operations data and consolidated cash flow data for the years ended December 31, 2014 and 2015 and the consolidated balance sheet data as of December 31, 2014, 2015 and 2016, have been derived from audited consolidated financial statements that are not included in this Annual Report.

	Year Ended December 31,				
	2014	2015	2016 ⁽¹⁾	2017 ⁽¹⁾	2018 ⁽²⁾
(in thousands, except per share amounts)					
Consolidated Statement of Operations Data					
Revenue	\$ 2,472,386	\$ 2,352,521	\$ 2,188,047	\$ 2,148,612	\$ 2,161,190
Operating expenses:					
Direct costs of revenue (excluding depreciation and amortization)	348,348	328,501	342,634	324,232	330,874
Selling, general and administrative	197,407	199,412	232,537	205,475	200,857
Impairment of goodwill and other intangibles	—	4,165,400	—	—	—
Depreciation and amortization	679,351	687,729	694,891	707,824	687,589
Gain on satellite insurance recoveries	—	—	—	—	—
Total operating expenses	1,225,106	5,381,042	1,270,062	1,237,531	1,219,320
Income (loss) from operations	1,247,280	(3,028,521)	917,985	911,081	941,870
Interest expense, net	944,787	890,279	938,501	1,020,770	1,212,374
Gain (loss) on early extinguishment of debt	(40,423)	7,061	1,030,092	(4,109)	(199,658)
Other income (expense), net	(2,593)	(6,201)	522	10,114	4,541
Income (loss) before income taxes	259,477	(3,917,940)	1,010,098	(103,684)	(465,621)
Provision for (benefit from) income taxes	22,971	1,513	15,986	71,130	130,069
Net income (loss)	236,506	(3,919,453)	994,112	(174,814)	(595,690)
Net income attributable to noncontrolling interest	(3,974)	(3,934)	(3,915)	(3,914)	(3,915)
Net income (loss) attributable to Intelsat S.A.	232,532	(3,923,387)	990,197	(178,728)	(599,605)
Cumulative preferred dividends	(9,917)	(9,919)	—	—	—
Net income (loss) attributable to common shareholders	\$ 222,615	\$ (3,933,306)	\$ 990,197	\$ (178,728)	\$ (599,605)
Other Data					
Capital expenditures	\$ 645,424	\$ 724,362	\$ 714,570	\$ 461,627	\$ 255,696
Other payments for satellites	\$ —	\$ —	\$ 18,333	\$ 35,396	\$ —
Basic income (loss) per common share attributable to Intelsat S.A.	\$ 2.09	\$ (36.68)	\$ 8.65	\$ (1.50)	\$ (4.63)
Diluted income (loss) per common share attributable to Intelsat S.A.	\$ 1.99	\$ (36.68)	\$ 8.36	\$ (1.50)	\$ (4.63)
Basic weighted average shares outstanding (in millions)	106.5	107.2	114.5	118.9	129.6
Diluted weighted average shares outstanding (in millions)	116.6	107.2	118.5	118.9	129.6
Dividends declared per 5.75% series A mandatory convertible junior non-voting preferred share	\$ 2.87	\$ 2.88	\$ —	\$ —	\$ —
Consolidated Cash Flow Data⁽³⁾					
Net cash provided by operating activities	\$ 1,046,170	\$ 910,031	\$ 678,755	\$ 464,246	\$ 344,173
Net cash used in investing activities	(645,250)	(749,354)	(730,589)	(468,297)	(283,634)
Net cash provided by (used in) financing activities	(519,003)	(102,986)	546,347	(121,698)	(90,323)
Consolidated Balance Sheet Data					
Cash and cash equivalents, net of restricted cash ⁽³⁾	\$ 123,147	\$ 171,541	\$ 666,024	\$ 525,215	\$ 485,120
Restricted cash ⁽³⁾	—	—	—	16,176	22,037
Satellites and other property and equipment, net	5,880,264	5,998,317	6,185,842	5,923,619	5,511,702
Total assets	16,326,434	12,253,590	12,942,009	12,610,036	12,241,513
Total debt	14,668,221	14,611,379	14,198,084	14,208,658	14,028,352
Shareholders' deficit	(776,268)	(4,649,565)	(3,634,145)	(3,807,870)	(4,097,005)
Net assets	(742,567)	(4,620,353)	(3,609,998)	(3,788,564)	(4,082,609)
Number of common shares (in millions)	106.7	107.6	118.0	119.6	138.0
Number of 5.75% series A mandatory convertible junior non-voting preferred shares (in millions)	3.5	3.5	—	—	—

- (1) We adopted Accounting Standard Update (“ASU”) 2017-07, *Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*, on January 1, 2018 using the retrospective method. As a result, the company reclassified a net credit for pension and postretirement benefits from operating expenses to other income for the years ended December 31, 2017 and 2016, to conform to the current year presentation. Years prior to 2016 do not reflect the effects from our January 1, 2018, adoption of ASC Topic 715.

- (2) We adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASC 606"), effective January 1, 2018, using the modified retrospective method. Years prior to 2018 do not reflect the effects from our January 1, 2018, adoption of ASC 606.
- (3) We adopted ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* and ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* on January 1, 2018 using the retrospective method. Balance sheets prior to 2017 and statements of cash flows prior to 2016 have not been restated.

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

The risks described below are not the only ones that we may face. Additional risks that are not currently known to us or that we currently consider immaterial may also impair our business, financial condition or results of operations.

Risk Factors Relating to Our Business

We are subject to significant competition from within the fixed satellite services ("FSS") sector, from alternative satellite service providers and from other providers of communications capacity, such as fiber optic cable capacity. Competition from other telecommunications providers could have a material adverse effect on our business and could prevent us from implementing our business strategy and expanding our operations as planned.

We face significant competition in the FSS sector in different regions around the world. We compete against other satellite operators and against suppliers of ground-based communications capacity. The increasing availability of satellite capacity and capacity from other forms of communications technology has historically created an excess supply of telecommunications capacity in certain regions from time to time. We believe such an imbalance could again occur in certain regions, particularly as we and other operators begin to introduce next generation high-throughput satellite technology to our fleets. Additionally, there is emerging interest from new entrants to launch new constellations in different orbits that could potentially compete with portions of our business. Increased competition in the FSS sector could lower prices, which could reduce our operating margins and the cash available to fund our operations and service our debt obligations. In addition, there has been a trend toward consolidation of major FSS providers as customers increasingly demand more robust distribution platforms with network redundancies and worldwide reach, and we expect to face increased competition as a result of this trend. Our direct competitors are likely to continue developing and launching satellites with greater power and more transponders, which may create satellite capacity at lower costs. In order to compete effectively, we invest in similar technology.

We also believe that there are many companies that are seeking ways to improve the ability of existing land-based infrastructure, such as fiber optic cable, to transmit signals. Any significant improvement or increase in the amount of land-based capacity, particularly with respect to the existing fiber optic cable infrastructure and point-to-point applications, may cause our video and network services customers to shift their transmissions to land-based capacity or make it more difficult for us to obtain new customers. If fiber optic cable networks or other ground-based high-capacity transmission systems are available to service a particular point, that capacity, when available, is generally less expensive than satellite capacity. As land-based telecommunications services expand, demand for some satellite-based services may be reduced.

In addition, we face challenges to our business apart from these industry trends that our competition may not face. A portion of our revenue has historically been derived from channel services, and from other point-to-point services which comprise a portion of our transponder services. Because fiber optic cable capacity is generally available at lower prices than satellite capacity, competition from fiber optic cable providers has historically caused a migration of our point-to-point customers from satellite to fiber optic cable on certain routes, resulting in erosion in our revenue from point-to-point services over the last ten years. Some other FSS operators have service mixes that are less weighted towards point-to-point connectivity than our current service mix. We have been addressing this erosion and sustaining our business by expanding our customer base in point-to-multipoint services, such as video, and growing our presence in serving wireless communications providers and the mobility sector.

Failure to compete effectively with other FSS operators and to adapt to new competition and new technologies or failure to implement our business strategy while maintaining our existing business could result in a loss of revenue and a decline in profitability, a decrease in the value of our business and a downgrade of our credit ratings, which could restrict our access to the capital markets.

The market for FSS may not grow or may shrink, and therefore we may not be able to attract new customers, retain our existing customers or implement our strategies to grow our business. In addition, pricing pressures may have an adverse impact on FSS sector revenue.

The FSS sector, as a whole, has experienced growth over the past few years. However, the future market for FSS may not grow or may shrink. Competing technologies, such as fiber optic cable, continue to adversely affect the point-to-point segment of the FSS sector. In the point-to-multipoint segment, economic downturns, the transition of video traffic from analog to digital and continuing improvements in compression technology, which allow for improved transmission efficiency, have negatively impacted demand for certain fixed satellite services. Developments that we expect to support the growth of the satellite services industry, such as continued growth in data traffic and the proliferation of direct-to-home (“DTH”) platforms, high definition television (“HDTV”) and niche programming, may fail to materialize or may not occur in the manner or to the extent we anticipate. Any of these industry dynamics could negatively affect our operations and financial condition.

Because the market for FSS may not grow or may shrink, we may not be able to attract customers for the services that we are providing as part of our strategy to sustain and grow our business. Reduced growth in the FSS sector may also adversely affect our ability to retain our existing customers. A shrinking market could reduce the number and value of our customer contracts and would have a material adverse effect on our business and results of operations. In addition, there could be a substantial negative impact on our credit ratings and our ability to access the capital markets.

The FSS sector has in the past experienced periods of pricing pressures that have resulted in reduced revenues of FSS operators. Current pricing pressures and potential pricing pressures in the future could have a significant negative impact on our revenues and financial condition.

We have a substantial amount of indebtedness, which may adversely affect our cash flow and our ability to operate our business, remain in compliance with debt covenants and make payments on our indebtedness.

As of December 31, 2018, on a consolidated basis, we had approximately \$14.3 billion principal amount of third-party indebtedness outstanding, approximately \$4.9 billion of which was secured debt. Our subsidiaries were the issuers or borrowers of portions of this debt as follows: (a) Intelsat (Luxembourg) S.A. (“Intelsat Luxembourg”), had approximately \$13.9 billion principal amount of total third-party indebtedness outstanding on a consolidated basis, approximately \$4.9 billion of which was secured debt, (b) Intelsat Connect Finance S.A. (“ICF”), had approximately \$1.25 billion principal amount of total third-party indebtedness outstanding on a stand-alone basis, and (c) Intelsat Jackson Holdings S.A. (“Intelsat Jackson”), had approximately \$11.4 billion principal amount of total third-party indebtedness outstanding on a consolidated basis, approximately \$4.9 billion of which was secured debt. Intelsat Luxembourg debt, ICF debt and Intelsat Jackson debt are included in our consolidated debt.

The indentures and credit agreements governing a substantial portion of the outstanding debt of Intelsat Luxembourg, ICF and Intelsat Jackson and their respective subsidiaries permit each of these companies to make payments to their respective direct and indirect parent companies to fund the cash interest payments on such indebtedness, so long as no default or event of default shall have occurred and be continuing or would occur as a consequence thereof.

Our substantial indebtedness could have important consequences. For example, it could:

- make it more difficult for us to satisfy obligations with respect to indebtedness, and any failure to comply with the obligations of any of our debt instruments, including financial and other restrictive covenants, could result in an event of default under the indentures governing our notes and the agreements governing such other indebtedness;
- require us to dedicate a substantial portion of available cash flow to pay principal and interest on our outstanding debt, which will reduce the funds available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- limit flexibility in planning for and reacting to changes in our business and in the industry in which we operate;
- increase our vulnerability to general adverse economic and industry conditions and to deterioration in operating results;
- limit our ability to engage in strategic transactions or implement our business strategies;
- limit our ability to borrow additional funds, or to refinance, repay or restructure our existing indebtedness; and
- place us at a disadvantage compared to any competitors that have less debt.

Any of the factors listed above could materially and adversely affect our business and our results of operations. Furthermore, our interest expense could increase if interest rates rise because certain portions of our debt bear interest at floating rates. Although we have hedged the full amount of our floating rate debt of \$2.4 billion for the upcoming two years for increases in the 1-month London InterBank Offered Rate (“LIBOR”) to a rate above 1.89%, any increases in 1-month LIBOR from current levels to 1.89% would cause our interest expense to increase. Our interest expense could also increase when we refinance debt. If we do not have sufficient cash flow to service our debt, we may be required to refinance all or part of our existing debt, sell assets, borrow more money or sell securities, none of which we can guarantee we will be able to do.

We may be able to incur significant additional indebtedness in the future. Although the agreements governing our indebtedness contain restrictions on the incurrence of certain additional indebtedness, these restrictions are subject to a number of important qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial. If we incur new indebtedness, the related risks, including those described above, could intensify.

To service our third-party indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control, and any failure to meet our third-party debt service obligations could harm our business, financial condition and results of operations.

Our estimated payment obligations with respect to third-party indebtedness (i.e., not held by ICF or any of our other subsidiaries) for 2019 comprise approximately \$1.1 billion of interest payments, excluding payments related to satellite performance incentives due to satellite manufacturers. Of this amount, \$864 million is attributable to Intelsat Jackson, \$105 million is attributable to Intelsat Luxembourg, \$119 million is attributable to ICF, and \$18 million is attributable to Intelsat S.A.

Our ability to satisfy our debt obligations will depend principally upon our future operating performance. As a result, prevailing economic conditions and financial, business and other factors, many of which are beyond our control, will affect our ability to make payments on our indebtedness. If we do not generate sufficient cash flow from operations to satisfy our debt service obligations, or if our subsidiaries are prohibited from paying dividends or making distributions because of restrictions in the agreements governing their indebtedness or otherwise, we may have to pursue alternative financing plans, such as refinancing or restructuring our indebtedness, selling assets, reducing or delaying capital investments or seeking to raise additional capital. Our ability to refinance or restructure our debt will depend on the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. In addition, the terms of our and our subsidiaries’ existing or future debt instruments, including the Intelsat Jackson Secured Credit Agreement and the indentures governing Intelsat S.A.’s, Intelsat Luxembourg’s, Intelsat Jackson’s and ICF’s outstanding notes, may restrict us from adopting some of these alternatives. Furthermore, the Sponsor (as defined below in Item 4A—History and Development of the Company—The Sponsors Acquisition Transactions) has no obligation to provide us with debt or equity financing in the future. Our inability to generate sufficient cash flow to satisfy our debt service obligations, or to refinance our obligations on commercially reasonable terms would have an adverse effect, which could be material, on our business, financial position, results of operations and cash flows.

The terms of the Intelsat Jackson Secured Credit Agreement, the indentures governing our existing notes and the terms of our other indebtedness may restrict our current and future operations, particularly our ability to respond to changes in our business or to take certain actions.

On January 12, 2011, Intelsat Jackson, our wholly-owned subsidiary, entered into a secured credit agreement (as amended, the “Intelsat Jackson Secured Credit Agreement”). The Intelsat Jackson Secured Credit Agreement, the indentures governing our existing notes and the terms of our other outstanding indebtedness contain, and any future indebtedness of ours would likely contain, a number of restrictive covenants imposing significant operating and financial restrictions on Intelsat S.A. and some or all of its subsidiaries, including restrictions that may limit our ability to engage in acts that may be in our long-term best interests. The Intelsat Jackson Secured Credit Agreement includes one financial covenant: Intelsat Jackson must maintain a consolidated secured debt to consolidated EBITDA ratio of less than or equal to 3.50 to 1.00 at the end of each fiscal quarter, as such financial measure is defined in the Intelsat Jackson Secured Credit Agreement.

In addition, the Intelsat Jackson Secured Credit Agreement requires Intelsat Jackson to use a portion of the proceeds of certain asset sales, in excess of a specified amount, that are not reinvested in its business to repay indebtedness under the agreement.

The Intelsat Jackson Secured Credit Agreement, the indentures governing our existing notes and the terms of our other outstanding indebtedness include covenants restricting, among other things, the ability of Intelsat S.A. and its subsidiaries to:

- incur or guarantee additional debt or issue disqualified stock;

- pay dividends (including to fund cash interest payments at different entity levels), or make redemptions, repurchases or distributions, with respect to ordinary shares or capital stock;
- create or incur certain liens;
- make certain loans or investments;
- engage in mergers, acquisitions, amalgamations, asset sales and sale and leaseback transactions; and
- engage in transactions with affiliates.

In addition, under certain circumstances as described in the Intelsat Jackson Secured Credit Agreement, Intelsat could be required to apply a certain percentage of its Excess Cash Flow (as defined in such agreement), if any, after operational needs for each fiscal year towards the repayment of outstanding term loans, subject to certain deductions.

These covenants are subject to a number of qualifications and exceptions. The operating and financial restrictions and covenants in our existing debt agreements and any future financing agreements may adversely affect our ability to finance future operations or capital needs or to engage in other business activities. A breach of any of the restrictive covenants in the Intelsat Jackson Secured Credit Agreement including the financial maintenance covenant referred to above could result in a default under such agreement. If any such default occurs, the lenders under the Intelsat Jackson Secured Credit Agreement may elect to declare all outstanding borrowings, together with accrued interest and other fees, to be immediately due and payable, enforce their security interest or require us to apply all available cash to repay these borrowings. If this occurred under the Intelsat Jackson Secured Credit Agreement, this would result in an event of default under our existing notes. If Intelsat Jackson were unable to repay outstanding borrowings when due, the lenders under the Intelsat Jackson Secured Credit Agreement would have the right to proceed against the collateral granted to them to secure the debt owed to them. If the debt under the Intelsat Jackson Secured Credit Agreement were to be accelerated, our assets might not be sufficient to repay such debt in full or to repay our notes and our other debt.

Our business is capital intensive and requires us to make long-term capital expenditure decisions, and we may not be able to raise adequate capital to finance our business strategies, or we may be able to do so only on terms that significantly restrict our ability to operate our business.

Implementation of our business strategy requires a substantial outlay of capital. As we pursue our business strategies and seek to respond to opportunities and trends in our industry, our actual capital expenditures may differ from our expected capital expenditures and there can be no assurance that we will be able to satisfy our capital requirements in the future. The nature of our business also requires us to make capital expenditure decisions in anticipation of customer demand, and we may not be able to correctly predict customer demand. We have only a fixed amount of transponder capacity available to serve a particular region. If our customer demand exceeds our transponder capacity, we may not be able to fully capture the growth in demand in the region served by that capacity. We currently expect that our liquidity requirements in 2019 will be satisfied by cash on hand and cash generated from our operations. However, if we determine we need to obtain additional funds through external financing and are unable to do so, we may be prevented from fully implementing our business strategy.

The availability and cost to us of external financing depend on a number of factors, including general market conditions, our financial performance and our credit rating. Both our credit rating and our ability to obtain financing generally may be influenced by the supply and demand characteristics of the telecommunications sector in general and of the FSS sector in particular. Declines in our expected future revenue under contracts with customers and challenging business conditions faced by our customers are among factors that may adversely affect our credit. Other factors that could impact our credit include the amount of debt in our current capital structure, activities associated with our strategic initiatives, our expected future cash flows and the capital expenditures required to execute our business strategy. The overall impact on our financial condition of any transaction that we pursue may be negative or may be negatively perceived by the financial markets and ratings agencies and may result in adverse rating agency actions with respect to our credit rating. A disruption in the capital markets, a deterioration in our financial performance or a credit rating downgrade could limit our ability to obtain financing or could result in any such financing being available only at greater cost or on more restrictive terms than might otherwise be available. Our debt agreements also impose restrictions on our operation of our business and could make it more difficult for us to obtain further external financing if required. See—The terms of the Intelsat Jackson Secured Credit Agreement, the indentures governing our existing notes and the terms of our other indebtedness may restrict our current and future operations, particularly our ability to respond to changes in our business or to take certain actions.

Long-term disruptions in the capital and credit markets as a result of uncertainty due to recessions, changing or increased regulation or failures of significant financial institutions could adversely affect our access to capital. If financial market disruptions intensify, it may become difficult for us to raise additional capital or refinance debt when needed, on acceptable terms or at all. Any disruption could require us to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding for our business needs can be arranged. Such measures could include deferring capital

expenditures and reducing or eliminating other discretionary uses of cash, which could adversely impact our business and our ability to execute our business strategies.

Our financial condition could be materially and adversely affected if we were to suffer a satellite loss that is not adequately covered by insurance.

We currently carry in-orbit insurance only with respect to a small portion of our satellite fleet, generally for a short period of time following launch. As of December 31, 2018, four of the 54 satellites in our fleet were covered by in-orbit insurance. Amounts recoverable from in-orbit insurance coverage may initially be comparable to amounts recoverable with respect to launch insurance coverage; however, such amounts generally decrease over time and are typically based on our declining potential repayment obligations with respect to certain customer prepayments made prior to or during the manufacture of certain satellites, or the declining book value of the satellite.

As our satellite insurance policies expire, we may elect to reduce or eliminate insurance coverage relating to certain of our satellites to the extent permitted by our debt agreements if, in our view, exclusions make such policies ineffective or the costs of coverage make such insurance impractical and we believe that we can more reasonably protect our business through the use of in-orbit spare satellites, backup transponders and self-insurance. A partial or complete failure of a revenue-producing satellite, whether insured or not, could require additional, unplanned capital expenditures, an acceleration of planned capital expenditures, interruptions in service, a reduction in contracted backlog and lost revenue and could have a material adverse effect on our business, financial condition and results of operations. We do not currently insure against lost revenue in the event of total or partial loss of a satellite.

We also maintain third-party liability insurance on some of our satellites to cover damage caused by our satellites. This insurance, however, may not be adequate or available to cover all third-party liability damages that may be caused by any of our satellites, and we may not in the future be able to renew our third-party liability coverage on reasonable terms and conditions, if at all.

We may become subject to unanticipated tax liabilities that may have a material adverse effect on our results of operations.

Intelsat S.A. and certain of its subsidiaries are Luxembourg-based companies and are subject to Luxembourg taxation for corporations. We believe that a significant portion of the income derived from our communications network will not be subject to tax in certain countries in which we own assets or conduct activities or in which our customers are located, including the United States and the United Kingdom. However, this belief is based on the presently anticipated nature and conduct of our business and on our current position under the tax laws of the countries in which we own assets or conduct activities. This position is subject to review and possible challenge by taxing authorities and to possible changes in law that may have a retroactive effect.

In addition, we conduct business with customers and counterparties in multiple countries and jurisdictions. Our overall tax burden is affected by tax legislation in these jurisdictions and the terms of income tax treaties between these countries and the countries in which our subsidiaries are qualified residents for treaty purposes as in effect from time to time. Tax legislation in these countries and jurisdictions may be amended and treaties are regularly renegotiated by the contracting countries and, in each case, may change. If tax legislation or treaties were to change, we could become subject to additional taxes, including retroactive tax claims or assessments of withholding on amounts payable to us or other taxes assessed at the source, in excess of the taxation we anticipate based on business contracts and practices and the current tax regimes. The extent to which certain taxing jurisdictions may require us to pay tax or to make payments in lieu of tax cannot be determined in advance. Our results of operations could be materially adversely affected if we become subject to a significant amount of unanticipated tax liabilities.

We are subject to political, economic, regulatory and other risks due to the international nature of our operations.

We provide communications services in approximately 200 countries and territories. Accordingly, we may be subject to greater risks than other companies as a result of the international nature of our business operations. We could be harmed financially and operationally by tariffs, taxes, government sanctions and regulatory actions, and other trade barriers that may be imposed on our services, or by political and economic instability in the countries in which we provide services, for instance in countries heavily reliant on revenues from natural resources. If we ever need to pursue legal remedies against our customers or our business partners located outside of Luxembourg, the United States or the United Kingdom, it may be difficult for us to enforce our rights against them depending on their location.

Substantially all of our ongoing technical operations are conducted and/or managed in the United States, Luxembourg and Germany. However, providers of satellite launch services, upon which we are reliant to place our satellites into orbit, locate

their operations in other countries, including Kazakhstan. Political disruptions in this country could increase the risk of launching the satellites that provide capacity for our operations, which could result in financial harm to us.

Our business is subject to foreign currency risk.

Almost all of our customers pay for our services in U.S. dollars, although we are exposed to some risk related to customers who do not pay in U.S. dollars. Fluctuations in the value of non-U.S. currencies may make payment in U.S. dollars more expensive for our non-U.S. customers, and in certain circumstances, cause us to renegotiate prices or other terms in contracts in order to retain such customers. For instance, our Russian customers and others may face difficulties paying for our services because of recent deterioration in the Russian currency and the relative strength of the U.S. dollar compared to many other currencies. In addition, our non-U.S. customers may have difficulty obtaining U.S. currency and/or remitting payment due to currency exchange controls.

The Sponsor owns a significant amount of our common shares and may have conflicts of interest with us in the future.

Our Sponsor (as defined below in Item 4A—History and Development of the Company—The Sponsors Acquisition Transactions) holds in the aggregate approximately 41% of our common shares. By virtue of its share ownership, the Sponsor may be able to influence decisions to enter into any corporate transaction or other matter that requires the approval of shareholders. Additionally, the Sponsor is in the business of making investments in companies and, although it does not currently hold interests in any business that competes directly or indirectly with us, it may from time to time acquire and hold interests in businesses that compete with us. The Sponsor may also pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us.

We have several large customers and the loss of, or default by, these customers could materially reduce our revenue and materially adversely affect our business.

A limited number of customers provide a substantial portion of our revenue and contracted backlog. For the year ended December 31, 2018, our ten largest customers and their affiliates represented approximately 37% of our revenue. The loss of, or default by, our larger customers could adversely affect our current and future revenue and operating margins.

Some customers have in the past defaulted and, although we monitor our larger customers' financial performance and seek deposits, guarantees and other methods of protection against default where possible, our customers may in the future default on their obligations to us due to bankruptcy, lack of liquidity, operational failure, devaluation of local currency or other reasons. Defaults by any of our larger customers or by a group of smaller customers who, collectively, represent a significant portion of our revenue could adversely affect our revenue, operating margins and cash flows. If our contracted backlog is reduced due to the financial difficulties of our customers, our revenue, operating margins and cash flows would be further negatively impacted.

Reductions or changes in U.S. government spending, including the U.S. defense budget, could reduce our revenue and adversely affect our business.

The U.S. government, through the U.S. Department of Defense and other agencies, is one of our largest customers. Spending authorizations for defense-related and other programs by the U.S. government have fluctuated in the past, and future levels of expenditures and authorizations for these programs may decrease, remain constant or shift to programs in areas where we do not currently provide services. We provide services to the U.S. government and its agencies through contracts that are conditioned upon the continuing availability of Congressional appropriations. Congress usually appropriates funds on a fiscal year basis, even though contract performance may extend over many years. In recent years, there has been a pattern of delays in the finalization and approval of the U.S. government budget, which can create uncertainty over the extent of future U.S. government demand for our services. Furthermore, in light of the current geopolitical situation, with reductions in U.S. operational presence in Iraq, Afghanistan and potentially the Middle East more generally, there may be additional future declines in the U.S. government's demand for and use of our services. To the extent the U.S. government and its agencies reduce spending on commercial satellite services, this could adversely affect our revenue and operating margins.

The loss of the services of key personnel could have a material adverse effect on our business.

Our executive officers and other members of our senior management have been a critical element of our success. These individuals have substantial experience and expertise in our business and have made significant contributions to its growth and success. We have entered into employment agreements with each of our executive officers, including Stephen Spengler, our Chief Executive Officer, Michelle Bryan, our Executive Vice President, General Counsel and Chief Administrative Officer, Michael DeMarco, our Executive Vice President, Operations, Samer Halawi, our Executive Vice President and Chief Commercial Officer, and Jacques Kerrest, our Executive Vice President and Chief Financial Officer (who has informed us that

he intends to retire in the spring of 2019), and certain targeted retention mechanisms; however, these agreements and mechanisms do not guarantee that these executives will remain with us. The unexpected loss of services of one or more of our executive officers or members of senior management could have a material adverse effect on our business.

Risk Factors Relating to Our Industry

We may experience in-orbit satellite failures or degradations in performance that could impair the commercial performance of our satellites, which could lead to lost revenue, an increase in our cash operating expenses, lower operating income or lost backlog.

Satellites utilize highly complex technology and operate in the harsh environment of space and, accordingly, are subject to significant operational risks while in orbit. These risks include malfunctions, commonly referred to as anomalies that have occurred in our satellites and the satellites of other operators as a result of:

- the satellite manufacturer’s error, whether due to the use of new and largely unproven technology or due to a design, manufacturing or assembly defect that was not discovered before launch;
- problems with the power systems of the satellites, including:
 - circuit failures or other array degradation causing reductions in the power output of the solar arrays on the satellites, which could cause us to lose some of our capacity, require us to forego the use of some transponders initially and to turn off additional transponders in later years; and/or
 - failure of the cells within the batteries, whose sole purpose is to power the payload and spacecraft operations during the daily eclipse periods which occur for brief periods of time during two 40-day periods around March 21 and September 21 of each year; and/or
- problems with the control systems of the satellites, including:
 - failure of the primary and/or backup satellite control processor (“SCP”); and/or
 - failure of one or more gyroscope and/or associated electronics that are used to provide satellite attitude information during maneuvers;
- problems with the propulsion systems of the satellites, including:
 - failure of the primary and/or backup thrusters; and/or
 - failure of the Xenon-Ion Propulsion System (“XIPS”) used on certain Boeing satellites, which is an electronic propulsion system that maintains the spacecraft’s proper in-orbit position; and/or
- general failures resulting from operating satellites in the harsh space environment, such as premature component failure or wear out of mechanisms.

We have experienced anomalies in each of the categories described above. Although we work closely with the satellite manufacturers to determine and eliminate the cause of these anomalies in new satellites and provide for on-satellite backups for certain critical components to minimize or eliminate service disruptions in the event of failure, we may experience anomalies in the future, whether of the types described above or arising from the failure of other systems or components. These anomalies can manifest themselves in scale from minor reductions of equipment redundancy to marginal reductions in capacity to complete satellite failure. Some of our satellites have experienced significant anomalies in the past and some have components that are now known to be susceptible to similar significant anomalies. Each of these is discussed in Item 4B—Business Overview—Satellite Health and Technology. An on-satellite backup for certain components may not be available upon the occurrence of such an anomaly.

Any single anomaly or series of anomalies could materially and adversely affect our operations, our revenues, our relationships with our current customers and our ability to attract new customers for our satellite services. In particular, future anomalies may result in the loss of individual transponders on a satellite, a single beam or multiple beams, a group of transponders on that satellite or the entire satellite, depending on the nature of the anomaly and the availability of on-satellite backups. Anomalies and our estimates of their future effects may also cause a reduction of the expected service life of a satellite and contracted backlog. Anomalies may also cause a reduction of the revenue generated by that satellite or the recognition of an impairment loss, and in some circumstances could lead to claims from third parties for damages, if a satellite experiencing an anomaly were to cause physical damage to another satellite, create interference to the transmissions on another satellite, cause other satellite operators to incur expenses to avoid such physical damage or interference or lower operating income as a result of an impairment charge. Finally, the occurrence of anomalies may adversely affect our ability to insure our satellites at commercially reasonable premiums, if at all. While some anomalies are covered by insurance policies, others are not or may not be covered. See—Risk Factors Relating to Our Business—Our financial condition could be materially and adversely affected if we were to suffer a satellite loss that is not adequately covered by insurance.

Many of the technical problems we have experienced on our current fleet have been component failures and anomalies. Our Intelsat 804 satellite experienced a sudden and unexpected electrical power system anomaly that resulted in the total loss of

the satellite in January 2005. The Intelsat 804 satellite was an LM 7000 series satellite, and as of December 31, 2018, we operated one other satellite in the LM 7000 series, Intelsat 805. We believe that the Intelsat 804 satellite failure was most likely caused by a high current event in the battery circuitry triggered by an electrostatic discharge that propagated to cause the sudden failure of the high voltage power system.

Our Galaxy 15 satellite experienced an anomaly in April 2010 resulting in our inability to command the satellite. We transitioned all media traffic on this satellite to our Galaxy 12 satellite, which was our designated in-orbit spare satellite for the North America region. Galaxy 15 is a Star-2 satellite manufactured by Northrup Grumman Innovation Systems ("NGIS"). On December 23, 2010, we recovered command of the spacecraft and subsequently completed diagnostic testing and uploading of software updates that protect against future anomalies of this type. As of December 31, 2018, Galaxy 15 continues to provide normal service.

We may also experience additional anomalies relating to the failure of the SCP in our BSS 601 satellite, various anomalies associated with XIPS in our BSS 601 HP satellites or a progressive degradation of the solar arrays in certain of our BSS 702 satellites.

Three of the BSS 601 satellites that we operated in the past, as well as BSS 601 satellites operated by others, have experienced a failure of the primary and backup SCPs. On February 1, 2010, our Intelsat 4 satellite experienced an anomaly of its backup SCP and was taken out of service. This event did not have a material impact on our operations or financial results. As of December 31, 2018, we operate only one BSS 601 satellite, Intelsat 26.

Certain of the BSS 601 HP satellites have experienced various problems associated with their XIPS. We currently operate four BSS 601 HP satellites of this type, three of which have experienced failures of both XIPS and the other has experienced a partial loss of its XIPS. We may in the future experience similar problems associated with XIPS or other propulsion systems on our satellites.

Two of the three BSS 702 HP satellites that we operate, as well as BSS 702 HP satellites of a similar design operated by others, have experienced a progressive degradation of their solar arrays causing a reduction in output power. Along with the manufacturer, we continually monitor the problem to determine its cause and its expected effect. The power reduction may require us to permanently turn off certain transponders on the affected satellites to allow for the continued operation of other transponders, which could result in a loss of revenues, or may result in a reduction of the satellite's service life. In 2004, based on a review of available data, we reduced our estimate of the service lives of both satellites due to the continued degradation.

On April 22, 2011, our Intelsat 28 satellite, formerly known as the Intelsat New Dawn satellite, was launched into orbit. Subsequent to the launch, the satellite experienced an anomaly during the deployment of its west antenna reflector, which controls communications in the C-band frequency. The anomaly had not been experienced previously on other STAR satellites manufactured by NGIS, including those in our fleet. The New Dawn joint venture filed a partial loss claim with its insurers relating to the C-band antenna reflector anomaly and all of the insurance proceeds from the partial loss claim were received in 2011. The Ku-band antenna reflector deployed and that portion of the satellite is operating as planned, entering service in June 2011. A Failure Review Board established to determine the cause of the anomaly completed its investigation in July 2011 and concluded that the deployment anomaly of the C-band reflector was most likely due to a malfunction of the reflector sunshield. As a result, the sunshield interfered with the ejection release mechanism, and prevented the deployment of the C-band antenna. The Failure Review Board also recommended corrective actions for Orbital Sciences Corporation satellites not yet launched to prevent reoccurrence of the anomaly. Appropriate corrective actions were implemented on Intelsat 18, which was successfully launched on October 5, 2011, and on Intelsat 23, which was launched in October 2012.

During launch operations of Intelsat 19 on June 1, 2012, the satellite experienced damage to its south solar array. Although both solar arrays are deployed, the power available to the satellite is less than is required to operate 100% of the payload capacity. The Independent Oversight Board, formed by Space Systems/Loral, LLC ("SSL") and Sea Launch to investigate the solar array deployment anomaly, concluded that the anomaly occurred before the spacecraft separated from the launch vehicle during the ascent phase of the launch, and originated in one of the satellite's two solar array wings due to a rare combination of factors in the panel fabrication that was unrelated to the launch vehicle. While the satellite is operational, the anomaly resulted in structural and electrical damage to one solar array wing, which reduced the amount of power available for payload operation. Additionally, we filed a partial loss claim with our insurers relating to the solar array anomaly. We received \$84.8 million of insurance proceeds related to the claim in 2013. As planned, Intelsat 19 replaced Intelsat 8 at 166°E, in August 2012.

During orbit raising of Intelsat 33e in September 2016, the satellite experienced a malfunction of the main satellite thruster. Orbit raising was subsequently completed using a different set of satellite thrusters. The anomaly resulted in a delay of

approximately three months in reaching the geostationary orbit, as well as a reduction in the projected lifetime of the satellite. Intelsat 33e entered service in January 2017. In addition, in February 2017, measurements indicated higher than expected fuel use while performing stationkeeping maneuvers. There is no evidence of any impact to the communications payload. A Failure Review Board has completed investigation of the primary thruster failure and fuel use anomaly.

We may experience a launch failure or other satellite damage or destruction during launch, which could result in a total or partial satellite loss. A new satellite could also fail to reach its designated orbital location after launch. Any such loss of a satellite could negatively impact our business plans and could reduce our revenue.

Satellites are subject to certain risks related to failed launches. Launch failures result in significant delays in the deployment of satellites because of the need both to construct replacement satellites, which can take 24 months or longer, and to obtain other launch opportunities. Such significant delays could materially and adversely affect our operations and our revenue. In addition, significant delays could give customers who have purchased or reserved capacity on that satellite a right to terminate their service contracts relating to the satellite. We may not be able to accommodate affected customers on other satellites until a replacement satellite is available. A customer's termination of its service contracts with us as a result of a launch failure would reduce our contracted backlog. Delay caused by launch failures may also preclude us from pursuing new business opportunities and undermine our ability to implement our business strategy.

Launch vehicles may also under-perform, in which case the satellite may still be placed into service by using its onboard propulsion systems to reach the desired orbital location, resulting in a reduction in its service life. In addition, although we have had launch insurance on all of our launches to date, if we were not able to obtain launch insurance on commercially reasonable terms and a launch failure were to occur, we would directly suffer the loss of the cost of the satellite and related costs, which could be more than \$300 million.

On February 1, 2013, the launch vehicle for our Intelsat 27 satellite failed shortly after liftoff and the satellite was completely destroyed. A Failure Review Board was established and subsequently concluded that the launch failed due to the mechanical failure of one of the first stage engine's thrust control components. The satellite and launch vehicle were fully insured, and all of the insurance proceeds from the loss claim were received in 2013.

Since 1980, we and the entities we have acquired have launched 123 satellites. Including the Intelsat 27 satellite, seven of these satellites were destroyed as a result of launch failures, all but one of which occurred prior to 2000. In addition, certain launch vehicles that we have used or are scheduled to use have experienced launch failures in the past. Launch failure rates vary according to the launch vehicle used. Our capital expenditure guidance for 2019 through 2021 assumes investment in five satellites, two of which are in the manufacturing phase. Of the remaining three satellites, no manufacturing contracts have yet been signed.

New or proposed satellites are subject to construction and launch delays, the occurrence of which can materially and adversely affect our operations.

The construction and launch of satellites are subject to certain delays. Such delays can result from delays in the construction of satellites and launch vehicles, the periodic unavailability of reliable launch opportunities, possible delays in obtaining regulatory approvals and launch failures. We have in the past experienced delays in satellite construction and launch which have adversely affected our operations. Future delays may have the same effect. A significant delay in the future delivery of any satellite may also adversely affect our marketing plan for the satellite. If satellite construction schedules are not met, a launch opportunity may not be available at the time a satellite is ready to be launched. Further, any significant delay in the commencement of service of any of our satellites could enable customers who pre-purchased or agreed to utilize transponder capacity on the satellite to terminate their contracts and could affect our plans to replace an in-orbit satellite prior to the end of its service life. The failure to implement our satellite deployment plan on schedule could have a material adverse effect on our financial condition and results of operations. Delays in the launch of a satellite intended to replace an existing satellite that result in the existing satellite reaching its end of life before being replaced could result in loss of business to the extent an in-orbit backup is not available.

Our dependence on outside contractors could result in increased costs and delays related to the launch of our new satellites, which would in turn adversely affect our business, operating results and financial condition.

There are a limited number of companies that we are able to use to launch our satellites and a limited number of commercial satellite launch opportunities available in any given time period. Adverse events with respect to our launch service providers, such as satellite launch failures or financial difficulties (which some of these providers have previously experienced), could result in increased costs or delays in the launch of our satellites. General economic conditions may also affect the ability of launch providers to provide launch services on commercially reasonable terms or to fulfill their obligations in terms of

launch dates, pricing, or both. In the event that our launch service providers are unable to fulfill their obligations, we may have difficulty procuring alternative services in a timely manner and may incur significant additional expenses as a result. Any such increased costs and delays could have a material adverse effect on our business, operating results and financial condition.

A natural disaster could diminish our ability to provide communications service.

Natural disasters could damage or destroy our ground stations, resulting in a disruption of service to our customers. We currently have the technology to help safeguard our antennas and protect our ground stations during natural disasters such as a hurricane, but the collateral effects of disasters such as flooding may impair the functioning of our ground equipment. If a future natural disaster impairs or destroys any of our ground facilities, we may be unable to provide service to our customers in the affected area for a period of time and may incur an impairment charge lowering our operating income.

Risk Factors Relating to Regulation

We are subject to orbital slot and spectrum access requirements of the International Telecommunication Union (“ITU”) and regulatory and licensing requirements in each of the countries in which we provide services, and our business is sensitive to regulatory changes internationally and in those countries.

The telecommunications industry is highly regulated, and we depend on access to orbital slots and spectrum resources to provide satellite services. The ITU and national regulators allocate spectrum for satellite services, and may change these allocations, which could change or limit how Intelsat’s current satellites are able to be used. In addition, in connection with providing satellite capacity, ground network uplinks, downlinks and other value-added services to our customers, we need to maintain regulatory approvals, and from time to time obtain new regulatory approvals, from various countries. Obtaining and maintaining these approvals can involve significant time and expense. If we cannot obtain or are delayed in obtaining the required regulatory approvals, we may not be able to provide these services to our customers or expand into new services. In addition, the laws and regulations to which we are subject could change at any time, thus making it more difficult for us to obtain new regulatory approvals or causing our existing approvals to be revoked or adversely modified. Because the regulatory schemes vary by country, we may also be subject to regulations of which we are not presently aware and could be subject to sanctions by a foreign government that could materially and adversely affect our operations in that country. If we cannot comply with the laws and regulations that apply to us, we could lose our revenue from services provided to the countries and territories covered by these laws and regulations and be subject to criminal or civil sanctions.

If we do not maintain regulatory authorizations for our existing satellites, associated ground facilities and terminals or obtain authorizations for our future satellites, associated ground facilities and terminals, we may not be able to operate our existing satellites or expand our operations.

The operation of our existing satellites is authorized and regulated by the U.S. Federal Communications Commission (“FCC”), the U.K. Office of Communications (“Ofcom”) and the U.K. Space Agency (“UKSA”), the National Information & Communications Technology Authority of Papua New Guinea (“NICTA”), the Ministry of Internal Affairs and Communications of Japan, and the Bundesnetzagentur (“BNetzA”) in Germany.

We believe our current operations are in compliance with FCC and non-U.S. licensing jurisdiction requirements. However, if we do not maintain the authorizations necessary to operate our existing satellites, we will not be able to operate the satellites covered by those authorizations, unless we obtain authorization from another licensing jurisdiction. Some of our authorizations provide waivers of technical regulations. If we do not maintain these waivers, we will be subject to operational restrictions or interference that will affect our use of existing satellites. Loss of a satellite authorization could cause us to lose the revenue from services provided by that satellite at a particular orbital location to the extent these services cannot be provided by satellites at other orbital locations.

Our launch and operation of planned satellites require additional regulatory authorizations from the FCC or a non-U.S. licensing jurisdiction. Likewise, if any of our current operations are deemed not in compliance with applicable regulatory requirements, we may be subject to various sanctions, including fines, loss of authorizations, or denial of applications for new authorizations or renewal of existing authorizations. It is not uncommon for licenses for new satellites to be granted just prior to launch, and we expect to receive such licenses for all planned satellites. If we do not obtain required authorizations in the future, we will not be able to operate our planned satellites. If we obtain a required authorization but we do not meet milestones regarding the construction, launch and operation of a satellite by deadlines that may be established in the authorization, we may lose our authorization to operate a satellite using certain frequencies in an orbital location. Any authorizations we obtain may also impose operational restrictions or permit interference that could affect our use of planned satellites.

If we do not occupy unused orbital locations by specified deadlines, or do not maintain satellites in orbital locations we currently use, those orbital locations and associated frequencies may become available for other satellite operators to use.

If we are unable to place satellites into currently unused orbital locations by specified deadlines and in a manner that satisfies the ITU or national regulatory requirements, or if we are unable to maintain satellites at the orbital locations that we currently use, we may lose our rights and/or priority to use these orbital locations and associated frequencies, and the locations and frequencies with ITU priority could become available for other satellite operators to use. The loss of one or more of our orbital locations could negatively affect our plans and our ability to implement our business strategy.

Coordination results may adversely affect our ability to use a satellite at a given orbital location for our proposed service or coverage area.

We are required to record frequencies and orbital locations used by our satellites with the ITU and to coordinate with other satellite operators and national administrations the use of these frequencies and orbital locations in order to avoid interference to or from other satellites. The results of coordination may adversely affect our use of satellites at particular orbital locations, as well as the type of applications or services that we can accommodate. If we are unable to coordinate our satellites by specified deadlines, we may not be able to use a satellite at a given orbital location for our proposed service or coverage area. The use of our satellites may also be temporarily or permanently adversely affected if the operation of adjacent satellite networks does not conform to coordination agreements resulting in the acceptable interference levels being exceeded (e.g., due to operational errors associated with the transmissions to adjacent satellite networks).

We can provide no assurance as to the likelihood of the FCC's acceptance of the various facets of our C-band Proposal, or as to the actual timing of a final ruling. In addition, even if a final ruling were to be issued that adopted our proposal, we can provide no assurances as to our ability to effectuate agreements to make C-band spectrum available for 5G in the United States or the amount we would receive in such transactions. Furthermore, there are a number of technical challenges to making C-band spectrum available.

On October 2, 2017, Intelsat and Intel Corporation submitted a proposal to the FCC that would enable joint use of 3.7-4.2 GHz C-band spectrum in the United States by fixed satellite services operators and terrestrial mobile services providers (the "C-band Proposal"). The FCC issued a Notice of Proposed Rule Making ("NPRM") in July 2018 that included aspects of our proposal and the proposal is now supported by a consortium of satellite operators comprised of Intelsat, SES Americom, Inc., Eutelsat, and Telesat. The C-band Proposal was not the only proposal that was included in the NPRM. The NPRM's official comment period has concluded, although parties are still able to add to the record. To the extent the FCC does not ultimately accept our proposal, the benefits to Intelsat of making the C-band spectrum available for terrestrial mobile services in the United States could be materially limited. Furthermore, while we believe that there is potential for a final order to be issued by the FCC in 2019, assuming making additional spectrum available for terrestrial mobile services remains a priority for the FCC, we can provide no assurances as to the actual timing of a final ruling. All of these matters are in the control of the FCC.

Even if a final ruling were to be issued that adopted our proposal, we can provide no assurances as to our ability to effectuate agreements for the spectrum or the amount we would receive in such transactions. Our ability to obtain value for making spectrum available for terrestrial mobile services in the United States would be dependent on market forces that we cannot control or predict.

Furthermore, there are a number of technical challenges to making C-band spectrum available for terrestrial mobile services. The technical solutions could include moving services and customers to another portion of the licensed C-band spectrum, implementing filters at earth station antennas, relocating earth station antennas or other technical solutions which may result in significant cost to incumbent satellite operators.

Our failure to maintain or obtain authorizations under the U.S. export control and trade sanctions laws and regulations could have a material adverse effect on our business.

The export of satellites and technical data related to satellites, earth station equipment and provision of services are subject to U.S. Department of State, U.S. Department of Commerce and U.S. Department of Treasury regulations. If we do not maintain our existing authorizations or obtain necessary future authorizations under the export control laws and regulations of the United States, we may be unable to export technical data or equipment to non-U.S. persons and companies, including to our own non-U.S. employees, as required to fulfill existing contracts. If we do not maintain our existing authorizations or obtain necessary future authorizations under the trade sanctions laws and regulations of the United States, we may not be able to provide satellite capacity and related administrative services to certain countries subject to U.S. sanctions. Our ability to acquire new satellites, launch new satellites or operate our satellites could also be negatively affected if our suppliers do not obtain required U.S. export authorizations.

If we do not maintain required security clearances from, and comply with our agreements with, the U.S. Department of Defense, or if we do not comply with U.S. law, we may not be able to continue to perform our obligations under U.S. government contracts.

To participate in classified U.S. government programs, we sought and obtained security clearances for one of our subsidiaries from the U.S. Department of Defense. Given our foreign ownership, we entered into a proxy agreement with the U.S. government that limits our ability to control the operations of this subsidiary, as required under the national security laws and regulations of the United States. If we do not maintain these security clearances, we will not be able to perform our obligations under any classified U.S. government contracts to which our subsidiary is a party, the U.S. government would have the right to terminate our contracts requiring access to classified information and we will not be able to enter into new classified contracts. As a result, our business could be materially and adversely affected. Further, if we materially violate the terms of the proxy agreement or if we are found to have materially violated U.S. law, we or the subsidiary holding the security clearances may be suspended or barred from performing any U.S. government contracts, whether classified or unclassified, and we could be subject to civil or criminal penalties.

Item 4. Information on the Company

A. History and Development of the Company

The Company

Our legal and commercial name is Intelsat S.A. The Company was organized as a public limited liability company (*société anonyme*) under the laws of the Grand-Duchy of Luxembourg on July 8, 2011. Our principal executive office is located at 4, rue Albert Borschette, L-1246, Luxembourg, telephone number +352 27 84 1600. The Company is registered with the Luxembourg *Registre de Commerce et des Sociétés* under number B162135.

Our History

Intelsat, Ltd. was the successor entity to the International Telecommunications Satellite Organization (the “IGO”), and a Bermuda company. The IGO was a public intergovernmental organization created on an interim basis by its initial member states in 1964 and formally established in February 1973 upon entry into force of an intergovernmental agreement. The member states that were party to the treaty governing the IGO designated certain entities to market and use the IGO’s communications system within their territories and to hold investment share in the IGO.

The Privatization

In November 2000, the IGO’s Assembly of Parties unanimously approved our management’s specific plan for our privatization and set the date of privatization for July 18, 2001. On July 18, 2001, substantially all of the assets and liabilities of the IGO were transferred to Intelsat, Ltd., which was domiciled as a Bermuda company.

The IGO, referred to post-privatization as the International Telecommunications Satellite Organization (“ITSO”), was established and was to exist as an intergovernmental organization for a period of at least 12 years after July 18, 2001, and then could be terminated by a decision of a governing body of ITSO called the Assembly of Parties. The Assembly of Parties voted in 2012 to continue ITSO until at least 2021. Pursuant to a Public Services Agreement among ITSO and Intelsat, Ltd. and certain of our subsidiaries, we have an obligation to provide our services in a manner consistent with the core principles of global coverage and connectivity, lifeline connectivity and non-discriminatory access, and ITSO monitors our implementation of this obligation.

The 2005 Acquisition Transactions

On January 28, 2005, Intelsat, Ltd. was acquired by Intelsat Holdings, Ltd. (“Intelsat Holdings”) for total cash consideration of approximately \$3.2 billion, with pre-acquisition debt of approximately \$1.9 billion remaining outstanding. Intelsat Holdings was initially formed as a Bermuda company.

The PanAmSat Acquisition Transactions

In August 2005, Intelsat (Bermuda), Ltd. (“Intelsat Bermuda”), our indirect wholly-owned subsidiary now known as Intelsat (Luxembourg) S.A., PanAmSat Holding Corporation (“PanAmSat”) and Proton Acquisition Corporation, a wholly-owned subsidiary of Intelsat Bermuda, signed a definitive merger agreement pursuant to which on July 3, 2006, Intelsat

Bermuda acquired all of the outstanding equity interests in PanAmSat for \$25.00 per common share in cash, or approximately \$3.2 billion in the aggregate (plus approximately \$0.00927 per share as the pro rata share of undeclared regular quarterly dividends).

The Sponsors Acquisition Transactions

On February 4, 2008, Serafina Acquisition Limited completed its acquisition of 100% of the equity ownership of Intelsat Holdings for total cash consideration of approximately \$5.0 billion, pursuant to a share purchase agreement among Serafina Acquisition Limited, Intelsat Holdings, certain shareholders of Intelsat Holdings and Serafina Holdings Limited (“Serafina Holdings”) (the “Sponsors Acquisition Transactions”). Serafina Holdings is an entity formed by funds controlled by BC Partners Holdings Limited (the “BCEC Funds” or the “Sponsor”) and certain other investors. Subsequent to the execution of the share purchase agreement, two investment funds controlled by Silver Lake Partners, L.P. (“Silver Lake Partners”) and other equity investors joined the BCEC Funds as the equity sponsors of Serafina Holdings. As a result of completion of the Sponsors Acquisition Transactions and related financing transactions, we and our subsidiaries assumed aggregate net incremental debt of approximately \$3.7 billion.

The Luxembourg Migration

On December 15, 2009, Intelsat, Ltd. and certain of its parent holding companies and subsidiaries migrated their jurisdiction of organization from Bermuda to Luxembourg (the “Migration”). As a result of the Migration, our headquarters are located in Luxembourg. Each company that migrated has continued its corporate and legal personality in Luxembourg. Subsequent to the Migration, Intelsat Global, Ltd. became known as Intelsat Global S.A., Intelsat Global Subsidiary, Ltd. became known as Intelsat Global Subsidiary S.A., Intelsat Holdings, Ltd. became known as Intelsat Holdings S.A., Intelsat, Ltd. became known as Intelsat S.A., Intelsat (Bermuda), Ltd. became known as Intelsat (Luxembourg) S.A. and Intelsat Jackson Holdings, Ltd. became known as Intelsat Jackson Holdings S.A.

The Initial Public Offering

On April 23, 2013, we completed our initial public offering, in which we issued 22,222,222 common shares, and a concurrent public offering, in which we issued 3,450,000 5.75% Series A mandatory convertible junior non-voting preferred shares (the “Series A Preferred Shares”), at public offering prices of \$18.00 and \$50.00 per share, respectively (the initial public offering together with the concurrent public offering, the “IPO”), for total proceeds of \$572.5 million (or approximately \$550 million after underwriting discounts and commissions). In connection with the IPO, on April 16, 2013, the name of the Company was changed from Intelsat Global Holdings S.A. to Intelsat S.A. In May 2016, all of the outstanding Series A Preferred Shares were converted in accordance with their terms into common shares.

B. Business Overview

Overview

We operate one of the world’s largest satellite services businesses, providing a critical layer in the global communications infrastructure.

We provide diversified communications services to the world’s leading media companies, fixed and wireless telecommunications operators, data networking service providers for enterprise and mobile applications in the air and on the seas, multinational corporations and Internet Service Providers (“ISPs”). We are also the leading provider of commercial satellite communication services to the U.S. government and other select military organizations and their contractors. Our network solutions are a critical component of our customers’ infrastructures and business models. Generally, our customers need the specialized connectivity that satellites provide so long as they are in business or pursuing their mission. In recent years, mobility services providers have contracted for services on our fleet that support broadband connections for passengers on commercial flights, cruise ships and commercial shipping, connectivity that in some cases is only available through our network. In addition, our satellite neighborhoods provide our media customers with efficient and reliable broadcast distribution that maximizes audience reach, a technical and economic benefit that is difficult for terrestrial services to match. In developing regions, our satellite solutions often provide higher reliability than is available from local terrestrial telecommunications services and allow our wireless and enterprise customers to reach geographies that they would otherwise be unable to serve.

In the future, we expect our Globalized Network to be an integral part of machine-to-machine networks, especially those requiring massive software updates best delivered via broadcast, such as networks connecting cars and other vehicles. As we invest in new constellations, such as our Intelsat Epic^{NG} high-throughput satellite platform and partner on new low earth orbit (“LEO”) satellites, and new ground technologies, such as electronic antennas and standards-based modems, we are creating a

portfolio of solutions that will be interoperable with other telecommunications technologies and seamlessly integrated with other telecommunications solutions to address the immense connectivity requirements of a fully-connected and converged landscape.

We hold the largest collection of rights to well-placed orbital slots in the most valuable C- and Ku-band spectrums. From these locations, our satellites are able to offer services in the established regions historically using the most satellite capacity, as well as the higher growth emerging regions, where approximately 60% of our capacity is currently focused.

We believe our global scale, Globalized Network, leadership position and valuable customer relationships enable us to benefit from growing demand for reliable broadband connectivity, resulting from trends such as:

- Global distribution of television entertainment and news programming to fixed and mobile devices;
- Completion and extension of international, national and regional data networks, fixed and wireless, notably in emerging regions, and the upgrade of those networks to 3G/4G/5G as content is increasingly consumed on mobile devices;
- Universal access to broadband connectivity through fixed and mobile networks for consumers, corporations, government and other organizations;
- Increasing deployment of in-flight and on-board broadband access for consumer and business applications in the commercial, business aviation and maritime sectors;
- Requirements for cost-efficient space-based network solutions for fixed and mobile government and military applications; and
- Global demand for services which enable connected devices, such as machine-to-machine communications and the Internet of Things (“IoT”), particularly with respect to connected car applications.

We believe that we have the largest, most reliable and most technologically advanced commercial communications network in the world. Our global communications system features a fleet of 54 geosynchronous satellites as of December 31, 2018 that covers more than 99% of the world’s populated regions. Our satellites primarily provide services in the C- and Ku-band frequencies, which form the largest part of the FSS sector.

Our next generation fleet of six high-throughput satellites, known as Intelsat Epic^{NG}, are designed specifically to reduce cost of service by optimizing performance and efficiency to the user. We expect we will be able to provide commercial customers with services that allow them to innovate and develop new high bandwidth applications, in turn transforming their businesses and expanding the territories that they can profitably serve. Our new Intelsat Epic^{NG} fleet is designed to commercial-grade standards. This allows us to offer committed information rates for our service provider customers, as compared to satellite networks designed primarily to provide consumer “best effort”-grade services.

Our satellite capacity is complemented by our IntelsatOne[®] terrestrial network and a growing suite of Flex managed services optimized to the requirements of attractive vertical applications, including the maritime and aeronautical sectors. Our managed services combine satellite services with network management, access to our terrestrial network comprised of leased fiber optic cable, access to Internet points of presence (“PoPs”), as well as multiplexed video and data platforms. Our satellite-based networking solutions offer distinct technical and economic benefits to our target customers and provide a number of advantages over terrestrial communications systems, including the following:

- Fast, scalable, secure and high performance infrastructure deployments;
- Superior end-to-end network availability as compared to the availability of terrestrial networks, due to fewer potential points of failure;
- Highly reliable bandwidth and consistent application performance, as satellite beams effectively blanket service regions;
- Ability to extend beyond terrestrial network end points or to provide an alternative path to terrestrial infrastructure;
- Efficient content distribution through the ability to broadcast high quality signals from a single location to many locations simultaneously;
- Maximizing potential distribution of television programming, video neighborhoods, or capacity at orbital locations with a large number of consumer dishes or cable headend dishes pointed to them; and
- Rapidly deployable communications infrastructure for disaster recovery.

We believe that our hybrid satellite-terrestrial network, combined with the world’s largest collection of FSS spectrum rights, is a unique and valuable asset.

Our network architecture is flexible and, coupled with our global scale, provides strong capital and operating efficiency. In certain circumstances we are able to re-deploy capacity, moving satellites or repositioning beams to capture demand. In

2018, we launched the final next generation Intelsat Epic^{NG} satellite, Horizons 3e, which was placed into service in early 2019. Our technology has utility across a number of requirements with minimal customization to address diverse applications.

We have a reputation for operational and engineering excellence, built on our experience of over 50 years in the communications sector. Our network delivered 99.997% network availability on all satellites to our customers in 2018. We operate our global network from a fully-integrated, centralized satellite operations facility, with regional sales and marketing offices located close to our customers. The operational flexibility of our network is an important element of our differentiation and our ability to grow.

As of December 31, 2018, our contracted backlog, which is our expected future revenue under existing customer contracts, was approximately \$8.1 billion, roughly four times our 2018 annual revenue. For the year ended December 31, 2018, we generated revenue of \$2.2 billion and net loss attributable to Intelsat S.A. of \$599.6 million. Our Adjusted EBITDA, which consists of EBITDA as adjusted to exclude or include certain unusual items, certain other operating expense items and certain other adjustments, was \$1.7 billion, or 77% of revenue, for the year ended December 31, 2018.

In 2016, and to a lesser extent in 2017, the satellite sector encountered pricing pressure in certain regions and applications, which affected our business. Also during those periods, older point-to-point and trunking services renewed at a much lower rate than our other services, pressuring revenue. In 2018, we continued to experience pricing pressure, but at a slower rate of decline than experienced in earlier periods, particularly in certain regions and applications. In addition, underlying trends in our media business resulted in lower renewal rates and new business capture. Overall, we believe we benefit from a number of characteristics that allow us to effectively manage our business despite these competitive and geo-economic pressures:

- Significant long-term contracted backlog, providing a foundation for predictable revenue streams;
- The entry into service of our next generation Intelsat Epic^{NG} platform. Our Intelsat Epic^{NG} platform was designed to support new services representing \$4.5 billion of potential incremental growth by 2023 from expanded enterprise, wireless infrastructure, mobility, IoT and government applications;
- High operating leverage, which has allowed us to generate an average Adjusted EBITDA margin of 77% in the past three years; and
- A stable, efficient and sustainable tax profile for our global business.

We believe that our leadership position in our attractive sector, global scale, efficient operating and financial profile, diversified customer sets and sizeable contracted backlog, together with the growing worldwide demand for reliable broadband connectivity everywhere at all times, provide us with a platform for long-term success.

Our Sector

Satellite services are an integral and growing part of the global communications infrastructure. Through unique capabilities, such as the ability to effectively blanket service regions, to offer point-to-multipoint distribution and to provide a flexible architecture, satellite services complement, and for certain applications are preferable to, terrestrial telecommunications services, including fiber and wireless technologies. The FSS sector, excluding all consumer broadband, is expected to generate revenues of approximately \$11.7 billion in 2019, and transponder service revenue is expected to grow by a compound annual growth rate (“CAGR”) of 2.6% from 2018 to 2023 according to a study issued in 2018 by NSR, a leading international market research and consulting firm specializing in satellite and wireless technology and applications.

In recent years, the addressable market for FSS has expanded to include mobile applications because of satellite’s ability to provide the broadband access required by high bandwidth mobile platforms, such as for consumer broadband services on commercial ships and aircraft, as well as military mobility applications, including unmanned aerial vehicles.

Satellite services provide secure bandwidth capacity ideal for global in-theater communications since military operations often occur in locations without reliable communications infrastructure. According to a study by NSR, global revenue from FSS used for government and military applications is expected to grow at a CAGR of 5.3% from 2018 to 2023.

Our sector is noted for having favorable operating characteristics, including long-term contracts, high renewal rates and strong cash flows. The fundamentals of the sector are attractive, given the global need for connectivity everywhere and explosion of global content. The expected growth in demand for satellite-based solutions, combined with the high operating margins which are characteristic of the sector, provides a resilient business model.

There is a finite number of geostationary orbital slots in which FSS satellites can be located, and many orbital locations are already occupied by operational satellites pursuant to complex regulatory processes involving many international and national governmental bodies. These satellites typically are operated under coordination agreements designed to avoid interference with other operators' satellites. See—Regulation below for a more detailed discussion of regulatory processes relating to the operation of satellites.

A resurgence of interest in LEO and mid-earth orbit constellations is resulting in the potential for new satellite-based solutions that will complement and, in some cases, compete with our services. We are an investor in one such constellation, with which we plan to offer integrated solutions. See—Our Strategy below. We believe that the ability of our GEO satellites to offer highly efficient point-to-multipoint services, and to concentrate throughput over areas of highest demand, provides us with competitive benefits that will be sustained even as new services come to market.

Today, there are only four FSS operators, including us, providing global services, which is important as multinationals and governments seek a one-stop solution for obtaining global connectivity. In addition, there are a number of operators with fewer satellites that provide regional and/or national services. We currently hold the largest number of rights to orbital slots in the most valuable C- and Ku-band spectrums.

We believe a number of fundamental trends in our sector are creating increasing demand for satellite services:

- *Connectivity and broadband access* are essential elements of infrastructure supporting the rapid economic growth of developing nations. Globally dispersed organizations and regional businesses often turn to satellite-based infrastructure to provide better access, reliability and control of broadband services. Penetration of broadband connectivity in less developed regions has been growing rapidly and is expected to continue. Over the past 10 years, broadband penetration, including satellite connectivity, in the East Asia & Pacific Ocean regions grew at a 15% CAGR, in the Latin America & Caribbean region at a 14% CAGR, and in the Middle East & North Africa regions at a 20% CAGR, according to the World Bank.
- *Wireless infrastructure in the global race to 5G* represents a potentially generational opportunity for satellite technology. Wireless telecommunications companies often use satellite-based solutions to extend networks into areas where geographic or low population density makes it economically unfeasible to deploy other technology. Further deployments of wireless telecom infrastructure and the migration from 2G to 3G, 4G and 5G networks, which adds content and data to basic voice communications, create demand for satellite bandwidth. We believe that the emergence of 5G networks results in a new growth vector for satellite connectivity. Satellite technology is uniquely responsive to the 5G requirement of ubiquitous coverage and fast deployments. We believe satellite systems will complement terrestrial networks and enable reliable and consistent global 5G user experience in a cost-effective manner. In 2018, 3GPP, the telecommunications standard development organization, approved work item studies to incorporate satellite systems in 5G standards to demonstrate key satellites attributes, including broadcasting, multicasting, and ubiquity and global mobile connectivity. According to GSMA, 4G & 5G mobile connections are expected to increase from 29% to 67% of total connections for the period from 2017 to 2025.
- *Mobility applications*, such as maritime communications and aeronautical broadband services for commercial and government applications, are fueling demand for mobile connectivity. Commercial applications, such as broadband services for consumer air flights and cruise ships, as well as broadband requirements from the maritime commercial shipping and oil and gas sectors, provide increased demand for satellite-based services. The increasing demand for global broadband connectivity on commercial airlines is a key driver of satellite connectivity and services. 78% of North American aircraft provide in-flight entertainment and wi-fi services, while about 13% of Europe, Africa, Asia Pacific and South America aircraft were connected in 2018, according to Valour Consultancy and Boeing. Global satellite services revenue related to demand for broadband mobility applications from land, aeronautical and maritime is expected to grow at a CAGR of 20% for the period from 2018 to 2023, according to NSR.
- *Globalization* of economic activities is increasing the geographic expansion of corporations and the communications networks that support them, while creating new audiences for content. Globalization also increases the communications requirements for governments supporting embassy and military applications.
- *The emergence of new content consumers resulting from economic growth in developing regions* leads to increased demand for free-to-air and pay-TV content. According to NSR, the highest expected growth in television channels is from developing regions, including Latin America at a CAGR of 2.8%, Middle East and North Africa at 2.7%, Sub-Saharan Africa at 4.6%, and Asia Pacific at 2.5% for the period from 2018 to 2023, respectively.
- *Proliferation of formats and new sources of entertainment content* result in increased bandwidth requirements, as content owners seek to maximize distribution to multiple viewing audiences across multiple technologies. HDTV, the introduction of ultra-high definition (“UHD”) television, internet distribution of traditional television programming known as “Over the Top” or “OTT”, and video to mobile devices are all examples of the expanding format and distribution requirements of media programmers, the implementation of which varies greatly from developed to

emerging regions. In its 2018 study, NSR forecasted that the aggregate number of standard definition (“SD”), high definition (“HD”), and UHD television channels distributed worldwide for cable, broadcast and DTH is expected to grow at a CAGR of 2% for the period from 2018 to 2023.

- *Connected Devices and vehicles*, such as those contemplated by machine-to-machine communications, the IoT and other future technology trends, will require ubiquitous coverage that might be best provided by satellite technology for certain applications in certain regions, and also for applications where ubiquitous, global access is required, such as enabling software downloads for connected cars marketed by the automotive sector or for the operations of connected vehicles, such as in agriculture applications. This represents an important potential source of longer-term demand.

In total, transponder service revenue (excluding consumer broadband) is expected to grow at a CAGR of 2.6% for the period from 2018 to 2023, according to NSR.

Our Customer Sets and Growing Applications

We focus on business-to-business services that indirectly enable enterprise, government and consumer applications through our customers. Our customer contracts offer four different service types: transponder services, managed services, channel services and mobile satellite services and other. See Item 5—Operating and Financial Review and Prospects—Revenue for further discussion of our service types. Characteristics of our customer sets are summarized below:

Customer Set	Representative Customers	Year	Annual Revenue (1) (2)	% of 2018 Total Revenue (2)	% of 2018 Total Backlog (1) (2)	Backlog to 2018 Revenue Multiple
Network Services	Marlink, BT, Orange, Speedcast, Global	2016	\$ 900			
	Eagle, Verizon, Vodafone, America Movil,	2017	\$ 852			
	Gogo, Panasonic Avionics, Telecom Italia Mobile	2018 ⁽³⁾	\$ 798	37%	26%	2.6x
Media	Discovery Communications, Fox Broadcasting Company	2016	\$ 868			
	Entertainment Group, MultiChoice, Home	2017	\$ 910			
	Box Office, AT&T, The Walt Disney Company, Turner	2018 ⁽⁴⁾	\$ 938	43%	62%	5.4x
Government	Australian Defence Force, U.S. Department	2016	\$ 387			
	of Defense, U.S. Department of State,	2017	\$ 353			
	Leonardo	2018 ⁽⁵⁾	\$ 392	18%	10%	2.1x

(1) Dollars in millions; backlog as of December 31, 2018.

(2) Does not include satellite-related services and other.

(3) Includes \$3 million of ASC 606 adjustments.

(4) Includes \$67 million of ASC 606 adjustments.

(5) Includes \$33 million of ASC 606 adjustments.

We provide satellite capacity and related communications services for the transmission of video, data and voice signals. Our customer contracts cover on- and off-network capacity with primarily three different service types:

On-Network:

- Transponder services
- Managed services

Off-Network:

- Transponder services
- Mobile satellite services and other

We also perform satellite-related consulting services and technical services for various third parties, such as operating satellites for other satellite owners. We no longer proactively market a fourth service, known as channel services, although we still earn modest revenues from this type of on-network service.

Media

Media customers are our largest customer set and accounted for 43% of our revenue for the year ended December 31, 2018 and \$5.1 billion of our contracted backlog as of December 31, 2018. Our business generated from the media sector is

generally characterized by non-cancellable, long-term contracts with terms of up to 15 years with premier customers, including national and global broadcasters, content providers and distributors, television programmers and DTH platform operators.

We are the world's largest provider of satellite capacity for media services, according to Euroconsult, with a 20% global share. We have delivered television programming to the world since the launch of our first satellite, Early Bird, in 1965. We provide satellite capacity for the transmission of entertainment, news, sports and educational programming for over 300 broadcasters, content providers and DTH platform operators worldwide. We have well-established relationships with our media customers, and in some cases have distributed their content on our satellites for over 30 years.

Broadcasters, content providers and television programmers seek efficient distribution of their content to make it easily obtainable by affiliates, cable operators and DTH platforms; satellites' point-to-multipoint capability is difficult to replicate via terrestrial alternatives. Our strong cable distribution neighborhoods offer media customers high penetration of regional and national audiences.

Broadcasters, content providers and television programmers also select us because our global capabilities enable the distribution or retrieval of content to or from virtually any point on earth. For instance, we regularly provide fully integrated global distribution networks for content providers that need to distribute their products across multiple continents. DTH platform operators use our services because of our attractive orbital locations and because the scale and flexibility of our fleet can improve speed to market and lower their operating risk, as we have multiple satellites serving every region.

We believe that we enjoy a strong reputation for delivering the high network reliability required to serve the demanding media sector. As our media customers add additional distribution platforms and adopt new business models, such as OTT internet-delivered content, our goal is to deliver value beyond our cost-efficient linear distribution solutions to include cloud-based services that streamline multi-format content delivery.

Our fully integrated satellite, fiber and teleport facilities provide enhanced quality control for programmers. In addition to basic satellite services, we offer bundled, value-added services under our IntelsatOne brand that include managed fiber services, digital encoding of video channels and up-linking and down-linking services to and from our satellites and teleport facilities. Our IntelsatOne® bundled services address programmers' interests in delivering content to multiple distribution channels, such as television and Internet, and their needs for launching programs to new regions in a cost-efficient manner.

Highlights of our media business include the following:

- Our fleet hosts 37 premium video neighborhoods, offering programmers superior audience penetration, with 10 serving North America, nine serving Latin America, eight serving Africa and the Middle East, six serving Asia and four serving Europe;
- We are a leading provider of services used in global content distribution to media customers, according to Euroconsult. Our top 10 video distribution customers buy service on our network, on average, across three or more geographic regions, demonstrating the value provided by the global reach of our network;
- We believe that we are the leading provider of satellite service capacity for the distribution of cable television programming in North America, with thousands of cable headends pointed to our satellites. Our Galaxy 13 satellite provided the first HD neighborhood in North America, and today, our Galaxy fleet distributes over 350 HD channels; globally, we distribute over 5,400 TV channels, including approximately 1,350 HD channels;
- We are a leading provider of satellite services for DTH providers, supporting 29 DTH platforms around the world, including AT&T DIRECTV in Latin America, Orion Express in Russia, Telefonica in Brazil, MultiChoice in Africa, and Canal+ in multiple regions;
- We are a leading provider of services used in video contribution managed occasional use services, supporting coverage of major events for news and sports organizations, according to Euroconsult. For instance, we have carried programming on a global basis for every Olympiad since 1968, including use of our Intelsat 29e satellite for transmission of certain programming for the 2016 Olympics in Rio de Janeiro, Brazil; and
- In its 2018 study, NSR forecasted that the number of SD, HD, and UHD television channels distributed worldwide for cable, broadcast and DTH is expected to grow at a CAGR of 2% for the period from 2018 to 2023. According to NSR, the highest expected growth in television channels is from developing regions, including Latin America at a CAGR of 2.8%, Middle East and North Africa at 2.7%, Sub-Saharan Africa at 4.6%, and Asia Pacific at 2.5% for the period from 2018 to 2023, respectively.

In 2018, several non-renewals, the largest of which were in the Latin America, North America and Asia-Pacific regions, caused our media business to underperform our expectations for the year. In 2019, we expect continuing pressure on our media business. Broadly, our global media customers increasingly seek to economize due to the need to support expanding

infrastructure requirements. We expect customers to use compression, the elimination of distribution of standard definition feeds, and reduced commitments for contribution and ad hoc requirements, which will result in reduced volume for our business. In time, we expect some incremental demand for capacity to support the new 4K format, also known as UHD, which could offset some of the reductions in demand related to compression.

Network Services

Network services is our second largest customer set and accounted for 37% of our revenue for the year ended December 31, 2018 and \$2.1 billion of our contracted backlog as of December 31, 2018. Our business generated from the network services sector is generally characterized by non-cancellable contracts, typically up to five years in length, with many of the world's leading communications providers. This includes fixed and wireless telecommunications companies, such as global carriers and regional and national providers in emerging regions, corporate network service providers, such as VSAT services providers to vertical markets including banks, value-added services providers, such as those serving the aeronautical and maritime industries, as well as multinational corporations and other organizations operating globally.

According to Euroconsult, we are the world's largest provider of satellites capacity for network services, with a 28% global share. Our satellite services, comprised of satellite capacity, and terrestrial network comprised of leased fiber, teleports and data networking platforms, enable the transmission of video and data to and from virtually any point on the surface of the earth. Basic communications and broadband connectivity in developed and emerging regions are meaningful contributors to economic growth. We provide an essential element of the communications infrastructure, enabling the rapid expansion of wireless services that support businesses, communities and governments in many emerging regions.

Our network services offerings are an essential component of our customers' services, providing backbone infrastructure, expanded service areas and connectivity where reliability or geography is a challenge. We believe that we are a preferred provider because of our global service capability and our expertise in delivering services with enterprise-grade network availability and efficient network control.

Furthermore, as mobile communications have become essential to global networking and internet use, our satellite solutions, such as those provided by the Intelsat Epic^{NG} platform, are being used for mobility applications. This includes services ranging from maritime enterprise VSAT data services to consumer broadband connectivity for cruise ships. In addition to maritime applications, Intelsat's satellite solutions are used by service providers to deliver broadband connectivity for in-flight entertainment and wi-fi services for the aeronautical industry.

Our managed services, including Flex Enterprise and Flex Maritime, provide regional shared data networking platforms at our teleports that are connected to approximately 40 of our satellites, with network transmissions managed by our operations team. In 2018, we introduced new platform as a service (PaaS) offerings under the AgileCore brand, combining our satellite services with shared data platforms and our fiber network. As a result, our customers can quickly establish highly reliable services across multiple regions, yet operate them on a centralized basis. Our satellite-based solutions allow customers to rapidly expand their service territories, flexibly customize the access speed and capabilities for their existing networks and efficiently address new customer and end-user requirements. In 2018, we introduced Flex managed services that are customized to the business jet (FlexExec), joining the Flex Maritime managed service introduced in 2017.

Our leading position in network services has been pressured by new capacity from other satellite operators and improved access to fiber links, changing the competitive environment in certain regions. The increase in satellite supply resulted in significant declines in pricing beginning in 2013, although the rate of decline has reduced over time. In addition, the increase in the availability of fiber has resulted in the accelerated retirement of our channel business, which essentially reached end of lifecycle at 2015 year end, and our international point-to-point trunking services, which was a continuing source of decline in 2018. The new and differentiated capacity of our next generation Intelsat Epic^{NG} satellites is providing inventory to help offset these recent trends, targeting wireless infrastructure, mobility and enterprise applications. In 2018, we successfully added new distribution channels in the maritime, business jet and wireless infrastructure verticals. As the volume of services sold on our Intelsat Epic^{NG} fleet increases over time, we believe that the level of business activity in this sector will stabilize.

Highlights of our network services business include the following:

- Our largest network services customer type is enterprise networking. We are the world's largest provider of satellite capacity for satellite-based private data networks, including VSAT networks, according to Euroconsult;
- The second largest and fastest growing customer type in our network services business is mobility services for the aeronautical and maritime sectors. We believe we hold a leading share of the aeronautical broadband services powering in-flight passenger connectivity. FSS revenue growth related to capacity demand for broadband aeronautical

services is expected to grow from approximately \$251 million to \$1.2 billion annually, for the period from 2018 to 2023, at a CAGR of 37%. In addition, Euroconsult forecasts growth in FSS aeronautical terminals (excluding MSS and air-to-ground technology) at a CAGR of 23% for the period from 2018 to 2023.

- We are the leader in the provision of FSS bandwidth for maritime broadband connectivity. FSS VSAT terminal related to capacity demand for maritime broadband services (excluding MSS) is expected to grow at a CAGR of 15% for the period from 2018 to 2023. Of the world's largest cruise vessels, Intelsat's services are incorporated in the broadband infrastructure for over 80% of approximately 300 ships, in substantially all cases as the exclusive or primary source of satellite services;
- Infrastructure for wireless operator services represents our third largest network services customer type. We believe we are the leading provider of satellite capacity for cellular backhaul applications in emerging regions, connecting cellular towers to the global telecommunications network, a global sector expected to generate over \$1 billion in revenue in 2019, according to NSR. Approximately 100 of our customers use our satellite-based backhaul services as a core component of their network infrastructure due to unreliable or non-existent terrestrial infrastructure. Our cellular backhaul customers include 6 of the top 10 mobile groups worldwide, which serve a quarter of the world's subscribers, excluding China;
- Approximately 135 value-added network operators use our IntelsatOne broadband hybrid infrastructure to deliver their regional and global services. Applications for these services include corporate networks for multinationals, internet access and broadband for maritime and commercial aeronautical applications. C, Ku, Ka-band and HTS revenue from capacity demand for mobility applications is expected to grow at a CAGR of 20% for the period from 2018 to 2023, according to NSR; and
- The fixed enterprise VSAT sector (excluding all non-GEO HTS bandwidth) is expected to generate capacity revenues of approximately \$2.3 billion in 2019, and capacity revenues are expected to grow at a CAGR of 10% from 2018 to 2023, according to NSR.

Government

We are the leading provider of commercial satellite services to the government sector, according to NSR, with a 25% share of military and government use of use of commercial satellite capacity worldwide. With more than 50 years of experience serving this customer set, we have built a reputation as a trusted partner for the provision of highly customized, secure and mission critical satellite-based solutions. The government sector accounted for 18% of our revenue for the year ended December 31, 2018 and \$823 million of our contracted backlog as of December 31, 2018.

Our satellite communication services business generated from the U.S. government sector is generally characterized by single year contracts that are cancellable by the customer upon payment of termination for convenience charges, and include annual options to renew for periods of up to four additional years. In addition to communication services, our backlog includes some longer-term services, such as hosted payloads, which are characterized by contracts with originally contracted service periods extending up to the 15-year life of the satellite, cancellable upon payment of termination penalties defined by the respective contracts.

Our customer base includes the U.S. government's military and civilian agencies, global government militaries, and commercial customers serving the defense sector. We consider each party within the U.S. Department of Defense and other U.S. government agencies that has the ability to initiate a purchase requisition and select a contractor to provide services to be a separate customer, although such party may not be the party that awards us the contract for the services.

We attribute our strength in serving U.S. military and government users to our global infrastructure of satellites, including the addition of the high-performance Intelsat Epic^{NG} fleet, and our IntelsatOne network of teleports and fiber that complement the U.S. government's own communications networks. Our fleet provides flexible, secure and resilient global network capacity, and critical surge capabilities. Our Intelsat Epic^{NG} satellites provide high-throughput and performance that is highly attractive for aeronautical surveillance applications, offering HD video from small antennas, enabling use of a smaller airframe. In some instances, we provide our U.S. government customers managed, end-to-end secure networks, combining our resources in space and on the ground, for fixed and mobile applications.

In responding to certain unique customer requirements, we also procure and integrate satellite services provided by other satellite operators, either to supplement our capacity or to obtain capacity in frequencies not available on our fleet, such as L-band, X-band and other spectrums not available on our network. These off-network services are generally low risk in nature, typically with the terms and conditions of the third-party capacity and services we procure matched to contractual commitments from our customer. We are an attractive supplier to the government sector because of our ability to leverage not only our assets but also other space-based solutions, providing a single contracting source for multiple, integrated technologies.

Highlights of our government business include the following:

- We are increasing our focus on managed services for government applications, simplifying the use of high throughput services. In 2018, we introduced a global managed end-to-end service providing cost-effective, high-performance, in-flight broadband connectivity to a wide range of military aircraft. The service, branded FlexAir, supports en route communications and intelligence, surveillance, and reconnaissance (ISR) applications, as well as in-flight communications for government officials, troops, and cargo aircraft. Expanding our marketing capabilities, we also announced the signing of two distributors with expertise in the government aeronautical sector.
- The reliability and scale of our fleet and planned launches of new and replacement satellites allow us to address changing demand for satellite coverage and to provide mission-critical communications capabilities. For example, in 2018, we were awarded a hosted payload contract that will support aviation navigation systems for the U.S. Federal Aviation Administration ("FAA"). The payload will be part of the FAA's Wide Area Augmentation System ("WAAS") that corrects and enhances information provided by Global Positioning System ("GPS") satellites to give commercial and civilian pilots more precise approach and departure guidance. WAAS provides safety improvements in the National Air Space and has been operational since 2003. This hosted payload, known as Geostationary Earth Satellite (GEO) 7, is the seventh payload delivering a continuous and robust signal in space across the contiguous United States and Alaska. This payload is part of an ongoing WAAS constellation replenishment/sustainment effort by the FAA.
- The U.S. government and military is one of the largest users of commercial satellites for U.S. government and military applications on a global basis. In 2018, we served approximately 100 customers consisting of U.S. government customers, resellers to U.S. government customers or integrators.
- According to a study by NSR, global revenue from FSS used for U.S. government and military applications is expected to grow at a CAGR of 5.3% for the period from 2018 to 2023.

Overall, business activity in this customer set reflects the current tempo of our end-customers' operations and the budgetary constraints of the U.S. government; visibility into the U.S. government's planned contract awards remains low and the pace of new business and subsequent awards remains flat.

Over the mid-term, we believe our reputation as a provider of secure solutions, our global fleet including our new high-performance Intelsat Epic^{NG} platform and affiliated FlexAir managed service, our well-established customer relationships, our ability to provide turn-key services and our demonstrated willingness to reposition or procure capacity to support specific requirements position us to successfully compete for commercial satellite solutions for bandwidth-intensive military and civilian applications. We expect our government business to benefit over time from the increasing demands for mobility services from the U.S. government for aeronautical and ground mobile requirements.

Our Diverse Business

Our revenue and backlog diversity spans customer sets and applications, as discussed above, as well as geographic regions and satellites. We believe our diversity allows us to recognize trends to capture new growth opportunities, and gain experience that can be transferred to customers in different regions. For further details regarding geographic distribution of our revenue, see Note 17 to our consolidated financial statements included elsewhere in this Annual Report.

We believe we are the sector leader by transponder share in three of the geographic regions covered by our network. We are generally ranked first or second in the regions identified by industry analysts as those that either purchase the most satellite capacity or are regions with high growth prospects, such as North America and Asia Pacific.

Well-Positioned in Attractive and Growing Regions (HTS & Regular Capacity)



(\$ in millions)

Region	FSS Industry Forecast 2018-2023 Revenue CAGR	2017 FSS Industry Wholesale Revenue	Intelsat Rank ¹
Russia & Central Asia	7.5%	\$469	#3
North America	6.7%	\$2,204	#1
Asia Pacific	5.5%	\$2,446	#2
Latin America	4.6%	\$1,356	#1
Middle East & Africa	3.6%	\$1,687	#1
Europe	1.0%	\$2,088	#3

1

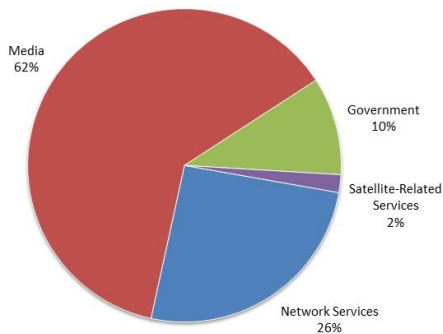
Source: Euroconsult 2018 - Satellite Communications & Broadcasting Market Survey; includes both traditional and HTS capacity
¹ For each region, ranking is determined by Euroconsult's estimated 2017 revenues and supporting company annual filings



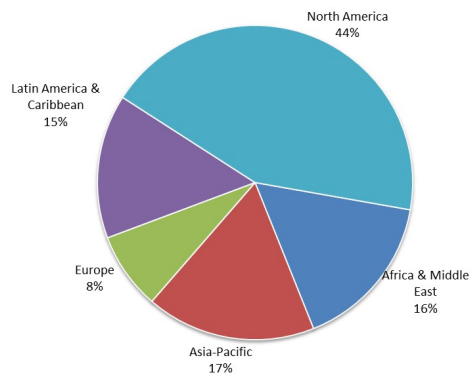
The scale of our fleet can also reduce the financial impact of satellite failures and protect against service interruption. No single satellite generated more than 6% of our revenue and no single customer accounted for more than 11% of our revenue for the year ended December 31, 2018.

The following chart shows the geographic diversity of our contracted backlog as of December 31, 2018 by region and service sector, based upon the billing address of the customer.

Contracted Backlog by Service Sector

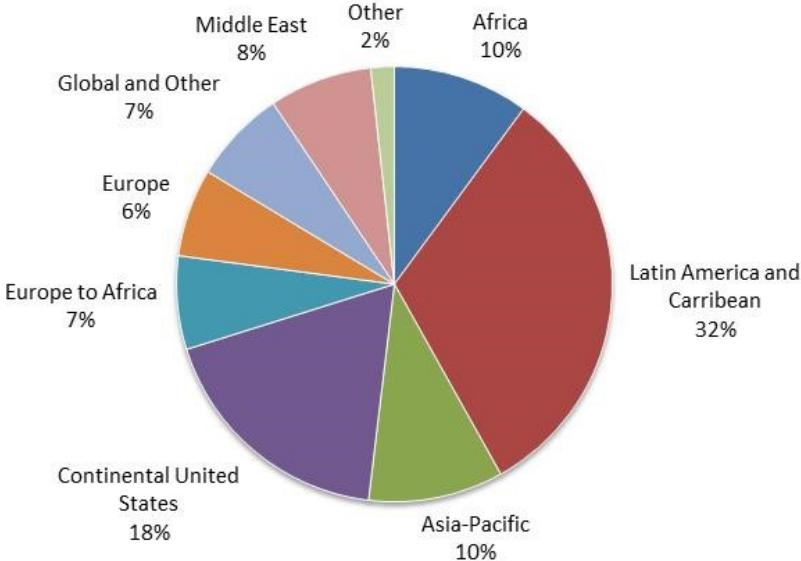


Contracted Backlog by Billing Region



The majority of our on-network revenue aligns to emerging regions, based upon the position of our satellites and beams. The following chart shows the breakdown of our on-network revenue by the region in which the service is delivered as of December 31, 2018:

On-Network Revenue by Service Delivery Region



Our Strategy: Transforming Our Business and Our Sector

We are transforming our business and sector, investing in and deploying innovative new technologies that will change the types of applications that we can serve and increase our share of the global demand for broadband connectivity everywhere—for all communities and for all devices.

Our strategy is built around four competitive advantages that strengthen our ability to reach our goals:

- Our global footprint, which is essential given that the fastest growing applications, such as mobility and upcoming 5G deployments, require ubiquitous, consistent network performance;
- Operating scale, with service delivery in over 200 countries and territories, which is important to new opportunities, such as connected car, machine-to-machine, land mobility and government, where service providers will look for global access. The ability to serve these applications on a global basis creates new satellite-based communication solutions with multi-billion dollar revenue potential;
- Our innovative technology, which is already in-orbit and gained further depth and resilience as we completed our current high-throughput investment program in 2018, together with our expertise in integrating this new technology into network solutions, providing our customers first-to-market advantage and experience; and
- Our portfolio of spectrum rights, which provides unmatched flexibility and agility as we look at new opportunities.

Our strategy is to seek revenue growth with the following actions:

- Drive stability in our core business, employing a disciplined yield management approach and emphasizing the development of strong distribution channels for our four primary customer sets of broadband, mobility, media and government;
- Scale our differentiated managed service offerings in targeted growth verticals in broadband, mobility, media and government, leveraging the global footprint, higher performance and better economics of our Intelsat Epic^{NG} fleet and the flexibility of our innovative terrestrial network; and
- Innovate through targeted investments and partnerships to develop a standards-based ecosystem that will provide a seamless interface with low earth orbit technologies and the broader telecommunications ecosystem.

We believe that developing differentiated managed services and investing in related software- and standards-based technology will allow us to increase our relevance within the broader telecommunications landscape, unlocking opportunities that are essential to providing global broadband.

Our new services and technologies will also open new sectors that are much larger, and growing much faster, than the sectors we support today. Examples include:

- Providing network infrastructure for 2G/3G/4G/5G wireless in developing regions;
- Providing signal ubiquity in support of 5G services globally;
- Providing broadband connectivities that enable non-traditional telecommunications providers to deliver wi-fi services in underserved regions;
- Providing flexible broadband services for enterprise networks and for commercial and government-related aeronautical, maritime and other mobile applications, and using our high-throughput platform and global footprint to provide differentiated services;
- Optimizing content distribution networks that support UHD, OTT programming and other multiscreen viewing applications; and
- Providing ubiquitous broadband for global deployment of connected devices, such as the connected car, and the continuing formation of the IoT.

Our strategy with respect to capital investment and spectrum is expected to lead to longer-term outcomes, achieving the transformation of our business as we take the following actions:

- Lower overall capital intensity and improve cost effectiveness through innovation emphasis on software-defined infrastructure and encouraging a standards-based ecosystem built on widely adopted technologies, including the 3GPP standards. We will enhance our space and terrestrial infrastructure with platforms that are software defined and less expensive to manufacture resulting in faster deployments and mission flexibility; and
- Maximize the value of our spectrum rights, using strategic alliances to deliver on our market-based proposal to the U.S. Federal Communications Commission (“FCC”) that addresses the need for mid-band spectrum in the U.S. to fuel adoption of 5G, while also protecting and maintaining the essential services we provide in the mid-band today.

In advancing our spectrum rights strategy, we have established the C-Band Alliance (“CBA”) with the three other satellite operators providing C-band satellite services in the continental U.S. We are actively advocating for our proposal to the FCC under Docket No. 18-122.

The CBA is working with customer groups, associations and other stakeholders to provide detailed technical and operational plans that will enable safely clearing a portion of the band in a way that highly reliable C-band satellite services can continue. The CBA is also meeting with prospective parties interested in the cleared spectrum to ensure that the cleared spectrum meets their operational requirements for 5G services, with the goal of maximizing proceeds from a market-based transaction.

Competition

We compete in the communications market for the provision of video, data and voice connectivity worldwide. Communications services are provided using various communications technologies, including satellite networks, which provide services as a substitute for, or as a complement to, the capabilities of terrestrial networks. We also face competition from suppliers of terrestrial communications capacity.

We operate on a global scale. Our competition includes national, regional and global providers of traditional and high throughput FSS. We also compete with providers of MSS, or mobile satellite services, for broadband services delivered for aeronautical and maritime applications.

We also compete with providers of terrestrial fiber optic cable capacity on certain routes and networks, principally for point-to-point services. The primary use of fiber optic cable is carrying high-volume communications traffic from point to point, and fiber capacity is available at substantially lower prices than satellite capacity once operational. Consequently, the growth in fiber optic cable capacity has led voice, data and video contribution customers that require service between major city hubs to migrate from satellite to fiber optic cable.

In recent years, increased availability of fiber in metropolitan regions of developing countries, and the oversupply of satellite services in certain regions, have resulted in increased competition in some of the regions we serve. The effect of these two trends has been significant price reductions for both fiber and satellite connectivity, primarily impacting our commercial and government data applications. As a result, Intelsat's revenues have been reduced as services were terminated by customers moving to fiber alternatives, and also as contracts were renewed at lower prices. As of December 31, 2018, we identified approximately \$150 million of contracted backlog that has not been renewed since January 1, 2015. As that business is renewed, we will adjust pricing to current market rates.

Sales, Marketing and Distribution Channels

We strive to maintain a close working relationship with our customers. Our primary sales and marketing operations are located in the United Kingdom and the United States. In addition, we have established local sales and marketing support offices in the following countries around the world:

- Australia
- Brazil
- China
- France
- Germany
- India
- Kenya
- Russian Federation
- Senegal
- Singapore
- South Africa
- United Arab Emirates
- Japan

By establishing local offices closer to our customers and staffing those offices with experienced personnel, we believe that we are able to provide flexible and responsive service and technical support to our customers. Our sales and marketing organization reflects our corporate focus on our three principal customer sets of network services, media and government. Our sales team includes technical marketing and sales engineering application expertise and a sales approach focused on creating integrated solutions for our customers' communications requirements.

We use a range of direct and wholesale distribution methods to sell our services, depending upon the region, the vertical application, regulatory requirements and customer application.

Our Network

Our global network is comprised of 54 satellites and ground facilities, including teleports, access to internet PoPs and leased fiber that support our commercial services and the operation and control of our satellites.

Our customers depend on our global communications network and our operational and engineering leadership. Highlights of our network include:

- Prime orbital locations, reflecting a valuable portfolio of coordinated fixed satellite spectrum rights;
- Highly reliable services, including transponder availability of 99.997% on all satellites for the year ended December 31, 2018;
- Flexibility to relocate satellites to other orbital locations as we manage fleet replacement, demand patterns change or in response to new customer requirements;
- Design features and steerable beams on many of our satellites that enable us to reconfigure capacity to provide different areas of coverage; and
- Resilience, with multiple satellites serving each region, allowing for improved restoration alternatives should a satellite anomaly occur.

As we design our new satellites, we work closely with our strategic customers to incorporate technology and service coverage that provide them with a cost-effective platform for their respective requirements.

The table below provides a summary of our satellite fleet as of December 31, 2018, except where noted.

Satellite	Manufacturer	Orbital Location	Launch Date	Estimated End of Service Life ⁽¹⁾
Station Kept in Primary Orbital Role ⁽²⁾ :				
Galaxy 11	BSS ⁽⁴⁾	44.9°E	Dec-99	Q4 2019
Intelsat 902	SSL ⁽⁵⁾	62°E	Aug-01	Q4 2019
Intelsat 905	SSL	24.5°W	Jun-02	Q4 2019
Galaxy 3C	BSS	95.05°W	Jun-02	Q1 2023
Intelsat 906	SSL	64.15°E	Sep-02	Q3 2020
Intelsat 907	SSL	27.5°W	Feb-03	Q1 2020
Galaxy 23 ⁽⁶⁾	SSL	121°W	Aug-03	Q1 2023
Galaxy 13/Horizons 1 ⁽⁷⁾	BSS	127°W	Oct-03	Q2 2026
Intelsat 1002 ⁽⁸⁾	Airbus	1°W	Jun-04	Q4 2021
Galaxy 28	SSL	89°W	Jun-05	Q3 2022
Galaxy 14	NGIS ⁽⁹⁾	125°W	Aug-05	Q3 2021
Galaxy 15	NGIS	133°W	Oct-05	Q1 2024
Galaxy 16	SSL	99°W	Jun-06	Q1 2029
Galaxy 17	Thales ⁽¹⁰⁾	91°W	May-07	Q1 2024
Intelsat 11	NGIS	42.99°W	Oct-07	Q4 2022
Horizons 2 ⁽¹¹⁾	NGIS	84.85°E	Dec-07	Q4 2024
Galaxy 18	SSL	123°W	May-08	Q2 2031
Intelsat 25	SSL	31.5°W	Jul-08	Q3 2024
Galaxy 19	SSL	97°W	Sep-08	Q2 2031
Intelsat 14	SSL	45°W	Nov-09	Q3 2027
Intelsat 15	NGIS	85.15°E	Nov-09	Q2 2027
Intelsat 16	NGIS	76.2°W	Feb-10	Q4 2035
Intelsat 17	SSL	66°E	Nov-10	Q2 2027
Intelsat 28 ⁽¹²⁾	NGIS	32.8°E	Apr-11	Q3 2025
Intelsat 18	NGIS	180°E	Oct-11	Q4 2028
Intelsat 22 ⁽¹³⁾	BSS	72.1°E	Mar-12	Q2 2028
Intelsat 19	SSL	166°E	Jun-12	Q2 2028
Intelsat 20	SSL	68.5°E	Aug-12	Q4 2036
Intelsat 21	BSS	58°W	Aug-12	Q3 2032
Intelsat 23	NGIS	53°W	Oct-12	Q2 2040
Intelsat 30	SSL	95.05°W	Oct-14	Q1 2036
Intelsat 34	SSL	55.5°W	Aug-15	Q1 2034
Intelsat 29e	BSS	50°W	Jan-16	Q2 2031
Intelsat 31	SSL	95.05°W	Jun-16	Q2 2037
Intelsat 36	SSL	68.5°E	Aug-16	Q1 2033
Intelsat 33e	BSS	60°E	Aug-16	Q1 2028

Intelsat 35e	BSS	34.5°W	Jul-17	Q2 2037
Intelsat 37e	BSS	18°W	Sep-17	Q1 2030
Horizons 3e ⁽¹⁴⁾	BSS	169.0°E	Sep-18	Q1 2047
Inclined Orbit:				
Intelsat 26	BSS	62.2°E	Feb-97	Q4 2019
Galaxy 25	SSL	93.1°W	May-97	Q3 2024
Intelsat 5	BSS	137°W	Aug-97	Q4 2024
Intelsat 805	LM ⁽³⁾	169.1°E	Jun-98	Q1 2020
Intelsat 9	BSS	DRIFT	Jul-00	Q3 2019
Intelsat 12	SSL	45°E	Oct-00	Q4 2019
Intelsat 1R	BSS	157.1°E	Nov-00	Q2 2023
Intelsat 10	BSS	47.5°E	May-01	Q3 2026
Intelsat 901	SSL	29.5°W	Jun-01	Q3 2024
Intelsat 904	SSL	45.1°E	Feb-02	Q1 2025
Intelsat 903	SSL	31.5°W	Mar-02	Q4 2030
Galaxy 12	NGIS	129°W	Apr-03	Q2 2025
Payload Hosted on Third-Party Satellites:				
Intelsat 1W ⁽¹⁵⁾	Thales	0.8°W	Oct-09	Q2 2029
Intelsat 32e ⁽¹⁶⁾	Airbus	317.0°E	Feb-17	Q2 2034
Intelsat 38 ⁽¹⁷⁾	SSL	45.0°E	Sep-18	Q3 2041

- (1) Engineering estimates of the service life as of December 31, 2018 as determined by remaining fuel levels, consumption rates and other considerations (including power) and assuming no relocation of the satellite. Such estimates are subject to change based upon a number of factors, including updated operating data from manufacturers.
- (2) Primary orbital roles are those that are populated with station-kept satellites, generally, but not always, in their initial service positions, and where our general expectation is to provide continuity of service over the long-term.
- (3) Lockheed Martin Corporation.
- (4) Boeing Satellite Systems, Inc., formerly Hughes Aircraft Company.
- (5) Space Systems/Loral, LLC (“SSL”).
- (6) EchoStar Communications Corporation owns all of this satellite’s Ku-band transponders and a portion of the common elements of the satellite.
- (7) Horizons Satellite Holdings, LLC (“Horizons Holdings”), our joint venture with JSAT International, Inc. (“JSAT”), owns and operates the Ku-band payload on this satellite. We are the exclusive owner of the C-band payload.
- (8) Telenor owns 18 Ku-band transponders (measured in equivalent 36 MHz transponders) on this satellite. EADS Astrium was renamed AIRBUS Defence & Space.
- (9) Northrop Grumman Innovation Systems (“NGIS”).
- (10) Thales Alenia Space.
- (11) Horizons Holdings owns the payload on this satellite and we operate the payload for the joint venture.
- (12) Intelsat 28 was formerly known as Intelsat New Dawn.
- (13) Intelsat 22 includes a UHF payload owned by the Australian Defence Force.
- (14) Horizons-3 Satellite LLC, our joint venture with JSAT, owns and operates this satellite. Horizons 3e entered into service in Q1 2019.
- (15) Intelsat 1W refers to a Ku-band payload on Thor 6, a satellite operated by Telenor.
- (16) Intelsat 32e refers to an HTS Ku-band payload we operate on a satellite also known as Sky Brasil 1.
- (17) Intelsat 38 refers to a Ku-band payload on Azerspace-2, a satellite operated by Azercosmos. Intelsat 38 entered into service in Q1 2019.

Satellite Systems

There are three primary types of commercial communications satellite systems: low-earth orbit systems, medium-earth orbit systems and geosynchronous systems. All of our satellites are geosynchronous satellites and are located approximately 22,200 miles, or 35,800 kilometers, above the equator. These satellites can receive radio frequency communications from an origination point, relay those signals over great distances and distribute those signals to a single receiver or multiple receivers within the coverage areas of the satellites’ transmission beams.

Geosynchronous satellites send these signals using various parts of the radio frequency spectrum. The spectrum available for use at each orbital location includes the following frequency bands in which most commercial satellite services are offered today:

- *C-band*—low power, broad beams requiring use of relatively larger antennae, valued as spectrum least susceptible to transmission impairments such as rain;
- *Ku-band*—high power, narrow to medium size beams facilitating use of smaller antennae favored by businesses; and
- *Ka-band*—very high power, very narrow beams facilitating use of very small transmit/receive antennae, but somewhat less reliable due to high transmission weather-related impairments. The Ka-band is utilized for various applications, including consumer broadband services.

Substantially all of the station-kept satellites in our fleet are designed to provide capacity using the C- and/or Ku-bands of this spectrum.

A geosynchronous satellite is referred to as geostationary, or station-kept, when it is operated within an assigned orbital control, or station-keeping box, which is defined by a specific range of latitudes and longitudes. Geostationary satellites revolve around the earth with a speed that corresponds to that of the earth's rotation and appear to remain above a fixed point on the earth's surface at all times. Geosynchronous satellites that are not station-kept are in inclined orbit. The daily north-south motion of a satellite in inclined orbit exceeds the specified range of latitudes of its assigned station-keeping box, and the satellite appears to oscillate slowly, moving above and below the equator every day. An operator will typically operate a satellite in inclined orbit toward the end of its service life because the operator is able to save significant amounts of fuel by not controlling the north-south position of the satellite and is thereby able to substantially extend the service life of the satellite. The types of services and customers that can access an inclined orbit satellite have traditionally been limited due to the movement of the satellite relative to a fixed ground antenna. However, recent technology innovations now allow the use of inclined orbit capacity for certain applications. As a result, we anticipate demand for inclined orbit capacity may increase over the next few years if these applications are successfully introduced. As of December 31, 2018, 12 of our satellites were operating in an inclined orbit, with most continuing to earn revenue beyond our original estimated life for each of these satellites.

In-Orbit Satellites

We believe that our strong operational performance is due primarily to our satellite procurement and operations philosophy. Our operations and engineering staff is involved from the design through the decommissioning of each satellite that we procure. Our staff works at the manufacturers' and launchers' sites to monitor progress, allowing us to maintain close technical collaboration with our contractors during the process of designing, manufacturing and launching a satellite. We continue our engineering involvement throughout the operating lifetime of each satellite. Extensive monitoring of earth station operations, around-the-clock satellite control and network operations support ensure our consistent operational quality, as well as timely corrections when problems occur. In addition, we have in place contingency plans for technical problems that may occur during the lifetime of a satellite.

These features also contribute to the resilience of our network, which enables us to ensure the continuity of service that is important for our customers and to retain revenue in the event that we need to move customers to alternative capacity. The design flexibility of some of our satellites enables us to meet customer demand and respond to changing market conditions.

As of December 31, 2018, we had approximately 1,775 station-kept transponders, for which the average fill rate was 78%. The HTS Intelsat Epic^{NG} transponder unit count was approximately 1,150, reflecting an increase from 2017 as a result of the entry into service of Intelsat 37e.

The design life of a satellite is the length of time that the satellite's hardware is designed by the manufacturer to remain operational under normal operating conditions. In contrast, a satellite's orbital maneuver life is the length of time the satellite has enough fuel to remain operational. A satellite's service life is based upon fuel levels and other considerations, including power. Satellites launched in the recent past are generally expected to remain in service for the lesser of maneuver life and 16 years. Satellites typically have enough fuel to maintain between 16 and 18 years of station-kept operations. The average remaining service life of our satellites was approximately 7.7 years as of December 31, 2018, weighted on the basis of nominally available capacity for the station-kept satellites we own.

Satellites on Order

As of December 31, 2018, we had placed orders for the following two satellites. Generally, these satellites are being built over a period of three years.

Satellite	Manufacturer	Role	Earliest Launch Date	Expected Launch Provider
Intelsat 39	SSL	Large capacity satellite with a combination of C-band and Ku-band beams to be located at the 62°E, certain of which are customized for the digital inclusion requirements of an Asian nation	2019	Arianespace
Galaxy 30	NGIS	Next generation North American video distribution platform	2020	Arianespace

Future Satellites

We would expect to replace other existing satellites, as necessary, with satellites that meet customer needs and that have a compelling economic rationale. We periodically conduct evaluations to determine the current and projected strategic and economic value of our existing and any planned satellites and to guide us in redeploying satellite resources as appropriate.

Network Operations and Current Ground Facilities

We control and operate each of our satellites and manage the communications services for which each satellite is used from the time of its initial deployment through the end of its operational life, and we believe that our technical skill in performing these critical operations differentiates us from our competition. We provide most of these services from our satellite operations centers in McLean, Virginia and Long Beach, California, and our customer service center in Ellenwood, Georgia. In the event of a natural disaster or other situation disabling one of the facilities, each satellite operations center has the functional ability to provide instantaneous restoration of services on behalf of the other, demonstrating the efficiency and effectiveness of our network. Utilizing state of the art satellite command and control hardware and software, our satellite operations centers analyze telemetry from our satellites in order to monitor their status and track their location.

Our satellite operations centers use a network of ground facilities to perform their functions. This network includes 21 earth stations that provide tracking, telemetry and commanding (“TT&C”) services for our satellites and various other earth stations worldwide. Through our ground facilities, we constantly monitor signal quality, protect bandwidth from piracy or other interference and maintain customer installed equipment.

Our customer service center located in Ellenwood, Georgia includes an RF Operations Center, a Managed Services Operations Center and an Intelsat Secured Operations Center. This facility is responsible for managing the communications services that we provide to our customers and is the first point of contact for customers needing assistance in using our network. We also maintain a back-up operations facility and data center a relatively short distance from our McLean, Virginia facility in Hagerstown, Maryland. This facility provides back-up emergency operational services in the event that our Ellenwood, Georgia customer service center experiences an interruption.

We have invested heavily in our fully integrated IntelsatOne® terrestrial network which complements our satellite network. Our network includes teleport, leased fiber and network performance monitoring systems and enables us to provide end-to-end managed solutions to our customers. In addition to leased fiber connecting high-density routes, our ground network also features strategically located PoPs, which are drop-off points for our customers’ traffic that are close to major interconnection hubs for telecommunications applications, video transmissions and trunking to the internet backbone. Our terrestrial network is an all IP network environment that results in improved ground support of high bandwidth applications such as HD video. The network architecture allows us to converge our media and network services terrestrial network infrastructures, resulting in reduced costs, and provides opportunities for generating additional revenue from existing and new customers by bundling combinations of media and network services products that can be offered through a single access circuit into our network.

Capacity Sparing and Backup and General Satellite Risk Management

As part of our satellite risk management, we continually evaluate, and design plans to mitigate, the areas of greatest risk within our fleet, especially for those satellites with known technical risks. We believe that the availability of spare transponder services capacity, together with the overlapping coverage areas of our satellites and flexible satellite design features described in—Our Network—Satellite Systems above, are important aspects of our ability to provide reliable service to our customers. In addition, these factors could help us to mitigate the financial impact to our operations attributable to the occurrence of a major satellite anomaly, including the loss of a satellite. Although we do not maintain backup for all of our transponder services

operating capacity, we generally maintain some form of backup capacity for each satellite designated as being in primary operating service. Our restoration backup capacity may include any one or more of the following:

- designated reserve transponders on the satellite or other on-board backup systems or designed-in redundancies,
- an in-orbit spare satellite, or
- interim restoration capacity on other satellites.

In addition, we provide some capacity on a preemptible basis and could preempt the use of this capacity to provide backup capacity in the event of a loss of a satellite.

We typically obtain launch insurance for our satellites before launch and will decide whether or not to obtain such insurance taking into consideration launch insurance rates, terms of available coverage and alternative risk management strategies, including the availability of backup satellites and transponders in the event of a launch failure. Launch insurance coverage is typically in an amount equal to the fully capitalized cost of the satellite, which generally includes the construction costs, the portion of the insurance premium related to launch, the cost of the launch services and capitalized interest (but may exclude any unpaid incentive payments to the manufacturer).

As of December 31, 2018, four of the satellites in our fleet were covered by in-orbit insurance. In-orbit insurance coverage may initially be for an amount comparable to launch insurance levels, generally decreases over time and is typically based on the declining book value of the satellite. We do not currently insure against lost revenue in the event of a total or partial loss of a satellite.

Satellite Health and Technology

Our satellite fleet is diversified by manufacturer and satellite type, and is generally healthy, with 99.997% transponder availability on all satellites during the year ended December 31, 2018. We have experienced some technical problems with our current fleet but have been able to minimize the impact of these problems on our customers, our operations and our business in recent years. Many of these problems have been component failures and anomalies that have had little long-term impact to date on the overall transponder availability in our satellite fleet. All of our satellites have been designed to accommodate an anticipated rate of equipment failures with adequate redundancy to meet or exceed their orbital design lives, and to date, this redundancy design scheme has proven effective. After each anomaly we have generally restored services for our customers on the affected satellite, provided alternative capacity on other satellites in our fleet, or provided capacity that we purchased from other satellite operators.

Significant Anomalies

On January 14, 2005, our Intelsat 804 satellite experienced a sudden and unexpected electrical power system anomaly that resulted in the total loss of the satellite. Intelsat 804 was a Lockheed Martin 7000 series (the "LM 7000 series") satellite, and as of December 31, 2018 we operated one other satellite in the LM 7000 series, Intelsat 805. Based on the report of the Failure Review Board that we established with Lockheed Martin Corporation, we believe that the Intelsat 804 failure was not likely to have been caused by an Intelsat 804 specific workmanship or hardware element, but was most likely caused by a high current event in the battery circuitry triggered by an electrostatic discharge that propagated to cause the sudden failure of the high voltage power system. We therefore believe that although this risk exists for our other LM 7000 series satellite, the risk of any individual satellite having a similar anomaly is low.

On April 5, 2010, our Galaxy 15 satellite experienced an anomaly resulting in our inability to command the satellite. Galaxy 15 is a Star-2 satellite manufactured by Orbital Sciences Corporation. On December 23, 2010, we recovered command of the spacecraft and we have since uploaded flight software code to protect against future anomalies of this type. As of December 31, 2018, Galaxy 15 continues to provide normal service.

On April 22, 2011, our Intelsat 28 satellite, formerly known as the Intelsat New Dawn satellite, was launched into orbit. Subsequent to the launch, the satellite experienced an anomaly during the deployment of its west antenna reflector, which controls communications in the C-band frequency. The anomaly had not been experienced previously on other STAR satellites manufactured by Orbital Sciences Corporation, including those in our fleet. The New Dawn joint venture filed a partial loss claim with its insurers relating to the C-band antenna reflector anomaly and all of the insurance proceeds from the partial loss claim were received in 2011. The Ku-band antenna reflector deployed and that portion of the satellite is operating as planned, entering service in June 2011. A Failure Review Board established to determine the cause of the anomaly, completed its investigation in July 2011 and concluded that the deployment anomaly of the C-band reflector was most likely due to a malfunction of the reflector sunshield. As a result, the sunshield interfered with the ejection release mechanism, and prevented the deployment of the C-band antenna. The Failure Review Board also recommended corrective actions for Orbital Sciences

Corporation satellites not yet launched to prevent reoccurrence of the anomaly. Appropriate corrective actions were implemented on Intelsat 18, which was successfully launched on October 5, 2011, and on Intelsat 23, which was launched in October 2012.

During launch operations of Intelsat 19 on June 1, 2012, the satellite experienced damage to its south solar array. Although both solar arrays are deployed, the power available to the satellite is less than is required to operate 100% of the payload capacity. An Independent Oversight Board (“IOB”) was formed by SSL and Sea Launch to investigate the solar array deployment anomaly. The IOB concluded that the anomaly occurred before the spacecraft separated from the launch vehicle, during the ascent phase of the launch, and originated in one of the satellite’s two solar array wings due to a rare combination of factors in the panel fabrication and was unrelated to the launch vehicle. While the satellite is operational, the anomaly resulted in structural and electrical damage to one solar array wing, which reduced the amount of power available for payload operation. Additionally, we filed a partial loss claim with our insurers relating to the solar array anomaly. We received \$84.8 million of insurance proceeds related to the claim in 2013. As planned, Intelsat 19 replaced Intelsat 8 at 166°E, in August 2012.

On February 1, 2013, the launch vehicle for our Intelsat 27 satellite failed shortly after liftoff and the satellite was completely destroyed. A Failure Review Board was established and subsequently concluded that the launch failed due to the mechanical failure of one of the first stage engine’s thrust control components. The satellite and launch vehicle were fully insured, and we received \$406.2 million of insurance proceeds in 2013.

During orbit raising of Intelsat 33e in September 2016, the satellite experienced a malfunction of the main satellite thruster. Orbit raising was subsequently completed using a different set of satellite thrusters. The anomaly resulted in a delay of approximately three months in reaching the geostationary orbit, as well as a reduction in the projected lifetime of the satellite. Intelsat 33e entered service in January 2017. In addition, in February 2017, measurements indicated higher than expected fuel use while performing stationkeeping maneuvers. There is no evidence of any impact to the communications payload. A Failure Review Board has completed investigation of the primary thruster failure and the fuel use anomaly. We filed a loss claim with our insurers in March 2017 relating to the reduction of life. As of December 31, 2018, we have settled with all insurers and received total collection and settlement payments of \$70 million in cash.

Other Anomalies

We have also identified four other types of common anomalies among the satellite models in our fleet, which have had an operational impact in the past and could, if they materialize, have an impact in the future. These are:

- failure of the on-board SCP in Boeing 601 (“BSS 601”) satellites;
- failure of the on-board XIPS used to maintain the in-orbit position of Boeing 601 High Power Series (“BSS 601 HP”) satellites;
- accelerated solar array degradation in early Boeing 702 High Power Series (“BSS 702 HP”) satellites; and
- failure of gyroscopes on certain SSL satellites.

SCP Failures. Many of our satellites use an on-board SCP to provide automatic on-board control of many operational functions. SCPs are a critical component in the operation of such satellites. Each such satellite has a backup SCP, which is available in the event of a failure of the primary SCP. Certain BSS 601 satellites have experienced SCP failures. The risk of SCP failure appears to decline as these satellites age.

As of December 31, 2018, we operated one BSS 601 satellite, Intelsat 26. This satellite was identified as having heightened susceptibility to the SCP problem. Intelsat 26 has been in continuous operation since 1997. Both primary and backup SCPs on this satellite are monitored regularly and remain fully functional. Accordingly, we believe it is unlikely that additional SCP failures will occur. Intelsat 26 is expected to be removed from its in-orbit position in 2019.

BSS 601 HP XIPS. The BSS 601 HP satellite uses XIPS as its primary propulsion system. There are two separate XIPS on each satellite, each one of which is capable of maintaining the satellite in its orbital position. The BSS 601 HP satellite also has a completely independent chemical propulsion system as a backup to the XIPS. As a result, the failure of a XIPS on a BSS 601 HP satellite typically would have no effect on the satellite’s performance or its operating life. However, the failure of both XIPS would require the use of the backup chemical propulsion system, which could result in a shorter operating life for the satellite depending on the amount of chemical fuel remaining. XIPS failures do not typically result in a catastrophic failure of the satellite or affect the communications capability of the satellite.

As of December 31, 2018, we operated four BSS 601 HP satellites, Intelsat 5, Intelsat 9, and Intelsat 10, which are now in inclined orbit, and Galaxy 13/Horizons 1. Galaxy 13/Horizons 1 has one XIPS system available as its primary propulsion system. Intelsat 5, Intelsat 9 and Intelsat 10 have experienced the failure of both XIPS and are operating on their backup chemical propulsion systems. Intelsat 5 was redeployed in 2012 following its replacement by Intelsat 8, which was subsequently replaced by Intelsat 19. Also in 2012, Intelsat 9 and Intelsat 10 were redeployed following their replacements by Intelsat 21 and Intelsat 20, respectively. No assurance can be given that we will not have further XIPS failures that result in shortened satellite lives. We have decommissioned three satellites that had experienced failure of both XIPS. Intelsat 6B was replaced by Intelsat 11 during the first quarter of 2008, Galaxy 10R was replaced by Galaxy 18 during the second quarter of 2008, and Galaxy 4R was decommissioned in March 2009.

BSS 702 HP Solar Arrays. All of our satellites have solar arrays that power their operating systems and transponders and recharge the batteries used when solar power is not available. Solar array performance typically degrades over time in a predictable manner. Additional power margins and other operational flexibility are designed into satellites to allow for such degradation without loss of performance or operating life. Certain BSS 702 HP satellites have experienced greater than anticipated degradation of their solar arrays resulting from the design of the solar arrays. Such degradation, if continued, results in a shortened operating life of a satellite or the need to reduce the use of the communications payload.

As of December 31, 2018, we operated three BSS 702 HP satellites, two of which are affected by accelerated solar array degradation, Galaxy 11 and Intelsat 1R. Service to customers has not been affected, and we expect that both of these satellites will continue to serve customers until we replace or supplement them with new satellites. Along with the manufacturer, we continually monitor the problem to determine its cause and its expected effect. Due to this continued degradation, Galaxy 11 was redeployed following its replacement by Intelsat 34. Intelsat 1R was redeployed following its replacement by Intelsat 14. The third BSS 702 HP satellite that we operated as of December 31, 2018, Galaxy 3C, was launched after the solar array anomaly was identified, and it has a substantially different solar array design intended to eliminate the problem. This satellite has been in service since September 2002 and has not experienced similar degradation problems.

SSL gyroscopes. Some of our satellites use gyroscopes to provide 3-axes attitude information during orbit inclination maneuvers. Certain SSL satellites use gyroscopes that have been identified as having a higher probability of failing. There are four gyroscopes on each of these SSL satellites, three of which are needed for normal operation, and the fourth is a spare. The failure of a single gyroscope on a given satellite would have no effect on the satellite's performance or its operating life. A failure of two or more gyroscopes on a given satellite would require us to use an alternative method for inclination control. This alternative method would likely result in a reduction in the remaining life of the satellite. As of December 31, 2018, we operated 11 SSL satellites that use these gyroscopes, five of which are in inclined orbit. While in inclined orbit, inclination maneuvers are no longer required. The six satellites in station-kept orbit, are being operated through an alternative method for inclination control.

Regulation

As an operator of a privately owned global satellite system, we are subject to U.S. government regulation, regulation by foreign national telecommunications authorities and the ITU frequency coordination process and regulations.

U.S. Government Regulation

FCC Regulation. The majority of the satellites in our current constellation are licensed and regulated by the FCC. We have final or temporary FCC authorization for all of our U.S.-licensed operating satellites. The special temporary authorizations ("STAs") in effect relating to our satellites cover various time periods, and thus the number held at any given time varies. In some cases, we have sought STAs because we needed temporary operational authority while we are awaiting grant of identical permanent authority. In others, we sought STAs because the activity was temporary in nature, and thus no permanent authority was needed. Historically, we have been able to obtain the STAs that we have needed on a timely basis. FCC satellite licenses have a fifteen-year term. At the end of a license term, we can request an extension to continue operating a satellite. In addition, our FCC satellite licenses that relate to use of those orbital locations and associated frequencies that were transferred to the United States at the time of our privatization in July 2001 are conditioned on our remaining a signatory to the Public Services Agreement with ITSO. Furthermore, any transfer of these licenses by us to a successor-in-interest is only permitted if such successor-in-interest has undertaken to perform our obligations under the Public Services Agreement. Some of our authorizations contain waivers of technical regulations. Many of our technical waivers were required when our satellites were initially licensed by the United States at privatization in 2001 because, as satellites previously operated by an intergovernmental entity, they had not been built in compliance with certain U.S. regulations. Since privatization, several replacement satellites for satellites licensed at privatization also have needed technical waivers as they are technically similar to the satellites they are replacing.

Changes to our satellite system generally require prior FCC approval. From time to time, we have pending applications for permanent or temporary changes in orbital locations, frequencies and technical design. From time to time, we also file applications for replacement or additional satellites. Replacement satellite applications are eligible for streamlined processing if they seek authority for the same orbital location, frequency bands and coverage area as an existing satellite and will be brought into use at approximately the same time, but no later than, the existing satellite is retired. The FCC processes satellite applications for new orbital locations or frequencies on a first come, first served basis. The FCC requires licensees of new, non-replacement, geostationary satellites to post a bond and to comply with a milestone to launch and operate the satellite within five years of the license grant. The bond starts at \$1 million and increases, pro rata, in proportion to the time that has elapsed since the license was granted to the time of the launch and operate milestone. At the end of the five-year period, the bond amount will be \$3 million. A satellite licensee that does not satisfy the launch and operate milestone will lose its license and must forfeit the bond absent circumstances warranting a milestone extension under the FCC's rules and policies. An operator that elects to relinquish its license prior to the five-year launch and operate milestone will forfeit the amount of accrued bond as of the date the license is relinquished. We hold other FCC licenses, including earth station licenses associated with technical facilities located in several states and licenses for terminals. We must pay FCC filing fees in connection with our space station and earth station applications, and we must also pay annual regulatory fees to the FCC. Violations of the FCC's rules can result in various sanctions including fines, loss of authorizations or the denial of applications for new authorizations or the renewal of existing authorizations.

One of our subsidiaries holds a Section 214 authorization. However, we currently do not sell services as a common carrier. Therefore, we are not subject to rate regulation or the obligation not to discriminate among customers.

U.S. Export Control Requirements and Sanctions Regulation. Intelsat must comply with U.S. export control and trade sanctions laws and regulations as follows:

Under the Export Control Reform ("ECR") effort, authorized by Congress and the President, the control of commercial communications satellites along with their associated ground control equipment, related software, and technology was moved, effective November 10, 2014, from the International Traffic in Arms Regulations ("ITAR") to the Export Administration Regulations ("EAR"). Originally there was a two-year timeframe allowed for companies to make this change. This transition timeframe expired in November 2017. Intelsat has transitioned our export authorizations in response to the new regulatory licensing requirements created by this reform. Intelsat has moved all programs to EAR authorizations, as needed.

The Arms Export Control Act, implemented by ITAR and administered by the U.S. Department of State's Directorate of Defense Trade Controls ("DDTC"), regulates the export of certain satellites with defined military and government end use capabilities and characteristics, certain associated hardware, defense services, and technical information relating to satellites to non-U.S. persons (including satellite manufacturers, component suppliers, launch services providers, insurers, customers, Intelsat employees, and other non-U.S. persons). Intelsat has made the regulatory transition from the ITAR to the EAR, and a small portion of our controlled technology remains under ITAR. Intelsat does not currently have any active ITAR licenses. Standard satellite operations were de-controlled as part of the regulatory update, and that technology is now being exported without the need for authorization. Certain of Intelsat's contracts for consulting, manufacture, launch, and insurance of Intelsat's and third-party satellites involve the export to non-U.S. persons of technical data and/or hardware; these exports are those that were regulated by the ITAR are now controlled under the EAR, and have been transitioned to EAR authorizations. We believe that we do not currently need any ITAR authorizations to fulfill our obligations under contracts with non-U.S. entities.

The Export Administration Act/International Emergency Economic Powers Act, implemented by the EAR and administered by the U.S. Department of Commerce's Bureau of Industry and Security ("BIS"), regulates exports of non-ITAR, dual-use, controlled items, which as a result of ECR now includes commercial communications satellites, associated ground equipment, related software, and technology. The EAR also controls non-ITAR equipment exported to earth stations in our ground network located outside of the United States and to customers as needed. Intelsat uses EAR approved licensing exceptions for many of our export-controlled programs, and EAR licenses as required. It is our practice to obtain all licenses necessary, or correctly document the license exception authorized, for the furnishing of original or spare equipment for the operation of our TT&C ground stations, other network stations, and customer locations in a timely manner to facilitate the shipment of this equipment when needed.

Trade sanctions laws and regulations administered by the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC") regulate the provision of services to certain countries subject to U.S. trade sanctions. As required, Intelsat holds the authorizations needed to provide satellite capacity and related administrative services to U.S.-sanctioned countries.

U.S. Department of Defense Security Clearances. To participate in classified U.S. government programs, we entered into a proxy agreement with the U.S. government that allows one of our subsidiaries to obtain security clearances from the U.S. Department of Defense as required under the national security laws and regulations of the United States. Such a proxy agreement is required to insulate the subsidiary performing this work from inappropriate foreign influence and control by Intelsat S.A., a Luxembourg company with significant non-U.S. investments and employees. Security clearances are subject to ongoing scrutiny by the issuing agency, as well as renewal every five years. Intelsat must maintain the security clearances obtained from the U.S. Department of Defense, or else lose the ability to perform our obligations under any classified U.S. government contracts to which our subsidiary is a party. Under those circumstances, the U.S. government would have the right to terminate our contracts requiring access to classified information and we would not be able to enter into new classified contracts. Compliance with the proxy agreement is regularly monitored by the U.S. Department of Defense and reviewed at least annually, and if we materially violate the terms of the proxy agreement, the subsidiary holding the security clearances may be suspended or debarred from performing any U.S. government contracts, whether classified or unclassified. Our current proxy agreement is subject to extension every five years with the agreement of the U.S. Department of Defense.

Regulation by Non-U.S. National Telecommunications Authorities

U.K. Regulation. The United Kingdom is the licensing jurisdiction for the Intelsat 12 and Intelsat 26 satellites. Satellite operators in the United Kingdom are regulated by Ofcom and by the UKSA.

Papua New Guinea Regulation. NICTA regulates the use of certain spectrum and orbital resources associated with some of our satellites. Specifically, the following satellites were operated under the regulation of NICTA for all or part of, the year ended December 31, 2018: Galaxy 23, Intelsat 26, Intelsat 30, Intelsat 31, Intelsat 29e, Intelsat 33e, and Intelsat 36. We are required to pay annual fees to NICTA in connection with the spectrum and orbital resources utilized by these satellites, as well as for other satellite network filings we have the right to use. In 2003, the FCC added the C-band payload of the Galaxy 23 satellite, which is licensed by NICTA, to its “Permitted Space Station List,” enabling use of the payload to provide non-DTH services in the United States.

German Regulation. We hold licenses from the BNetzA for several earth stations in Germany, as well as authorizations to use spectrum and orbital resources associated with the operation of the Intelsat 10, Intelsat 12, Intelsat 38, Intelsat 904 and Galaxy 11 satellites and with future satellites. We are required to pay annual fees to BNetzA in connection with the spectrum and orbital resources utilized by these satellites, as well as for other satellite network filings we have the right to use.

Australian Regulation. We hold licenses from the Australian Communications and Media Authority (“ACMA”) for several earth stations in Australia, as well as a Nominated Carrier Declaration.

Japanese Regulation. We hold licenses from the Ministry of Internal Affairs and Communications for several earth stations in Japan, terminals, as well as Carrier registrations. We and JSAT are the sole members of Horizons Holdings, and in 2002 the Japanese telecommunications ministry authorized Horizons to operate the Ku-band payload on the Galaxy 13/Horizons 1 satellite. In 2003, the FCC added this Ku-band payload to its “Permitted Space Station List,” enabling Horizons to use the payload to provide non-DTH services in the United States. In May 2004, the FCC expanded this authority to include one-way DTH services. We are the exclusive owner of the C-band payload on Galaxy 13/Horizons 1, which the FCC has licensed us to operate.

Other National Telecommunications Authorities. As a provider of satellite capacity and services, we are also subject to the national communications and broadcasting laws and regulations of many other countries in which we operate. In addition, in some cases our ability to operate a satellite in a non-U.S. jurisdiction also arises from a contractual arrangement with a third party. Some countries require us to obtain a license or other form of written authorization from the regulator prior to offering satellite capacity services. We have obtained these licenses or written authorizations in all countries that have required us to obtain them. As satellites are launched or relocated, we determine whether such licenses or written authorizations are required and, if so, we obtain them. Most countries allow authorized telecommunications providers to own their own transmission facilities and to purchase satellite capacity without restriction, facilitating customer access to our services. Other countries maintain strict monopoly regimes or otherwise regulate the provision of our services. In order to provide services in these countries, we may need to negotiate an operating agreement with a monopoly entity that covers the types of services to be offered by each party, the contractual terms for service and each party’s rates. As we have developed our ground network and expanded our service offerings, we have been required to obtain additional licenses and authorizations. To date, we believe that we have identified and complied with all of the regulatory requirements applicable to us in connection with our ground network and expanded services.

The International Telecommunication Union Frequency Coordination Process and Associated Regulations

Our use of orbital locations is subject to the frequency coordination and recording process of the ITU. In order to protect satellite networks from harmful radio frequency interference from other satellite networks, the ITU maintains a Master International Frequency Register (“MIFR”) of radio frequency assignments and their associated orbital locations. Each ITU notifying administration is required by treaty to give notice of, coordinate and record its proposed use of radio frequency assignments and associated orbital locations with the ITU’s Radiocommunication Bureau.

When a frequency assignment is recorded in the MIFR, the ITU publishes this information so that all potential users of frequencies and orbital locations are aware of the need to protect the recorded assignments associated with a given orbital location from subsequent or nonconforming interfering uses by Member States of the ITU. The ITU’s Radio Regulations do not contain mandatory dispute resolution or enforcement mechanisms. The Radio Regulations’ arbitration procedure is voluntary and neither the ITU specifically, nor international law generally, provides clear remedies if this voluntary process fails. Only nation states have full standing as ITU members. Therefore, we must rely on governments to represent our interests before the ITU, including obtaining new rights to use orbital locations and resolving disputes relating to the ITU’s regulations.

An operator may submit an ITU satellite network filing to the FCC for forwarding to the ITU prior to the operator filing a complete FCC license application. Submission of such an ITU filing will reserve for the operator a place in the FCC’s first come, first served licensing queue provided the operator posts a \$500,000 bond. If the operator fails within two years to file a complete FCC license application for the orbital location, frequencies and polarization proposed in the ITU satellite network filing, the bond will be forfeited.

Environmental Matters

Our operations are subject to various laws and regulations relating to the protection of the environment, including those governing the management, storage and disposal of hazardous materials and the cleanup of contamination. As an owner or operator of property and in connection with current and historical operations at some of our sites, we could incur significant costs, including cleanup costs, fines, sanctions and third-party claims, as a result of violations of or liabilities under environmental laws and regulations. For instance, some of our operations require continuous power supply, and, as a result, current and past operations at our teleports and other technical facilities include fuel storage and batteries for back-up power generators. We believe, however, that our operations are in substantial compliance with environmental laws and regulations.

C. Organizational Structure

Intelsat S.A. is a holding company with 53 subsidiaries incorporated in the U.S., Luxembourg, Bermuda, Australia, Brazil, China, Hong Kong, Cayman Islands, France, Germany, Gibraltar, India, Ireland, Mexico, the Russian Federation, Singapore, South Africa, and the United Kingdom as of December 31, 2018. All of the aforementioned subsidiaries are wholly-owned by us. A list of our significant subsidiaries as of December 31, 2018 is set forth in Exhibit 8.1 to this Annual Report.

D. Property, Plant and Equipment

We lease approximately 217,650 square feet of office space in McLean, Virginia for our U.S. administrative headquarters and primary satellite operations center. The building also houses the majority of our sales and marketing support staff and other administrative personnel. The lease for the building expires on July 31, 2029.

We own a facility in Ellenwood, Georgia in which our primary customer service center is located, together with our Atlanta Teleport. The facility has approximately 130,000 square feet of office space and operations facilities, which are based in two buildings and multiple antenna shelters and 68 antennas on the property. See Item 4B—Business Overview—Our Network—Network Operations and Current Ground Facilities for a description of this facility.

Our backup satellite operations center is located at a facility that we own in Long Beach, California, which includes approximately 68,875 square feet for administrative and operational facilities. We have entered into two lease agreements for 20,900 square feet with two third-party tenants.

We use a worldwide terrestrial ground network to operate our satellite fleet and to manage the communications services that we provide to our customers. This network is comprised of 65 owned and leased earth station and teleport facilities around the world, including 21 teleports that allows us to perform TT&C services.

The eight teleports in our terrestrial ground network that we own are located in Hagerstown, Maryland, Ellenwood, Georgia, Castle Rock, Colorado, Fillmore, Napa and Riverside, California, Paumalu, Hawaii and Fuchsstadt, Germany. We lease facilities at 57 other locations for satellite and commercial operations worldwide. We also contract with the owners of some of these facilities for the provision of additional services. The locations of other earth stations in our ground network include Argentina, Australia, Bahrain, Brazil, Canada, Chile, Colombia, Germany, India, Italy, Kazakhstan, Kenya, Mongolia, the Netherlands, New Zealand, Nigeria, Norway, Peru, South Korea, South Africa, Taiwan, the United Arab Emirates, and the United States. Our network also consists of the leased communications links that connect the earth stations to our satellite operations center located at our McLean, Virginia location and to our back-up operations facility.

We have established PoPs connected by leased fiber at key traffic exchange points around the world, including Atlanta, Los Angeles, New York, McLean, Miami, Palo Alto and London. We lease our facilities at these traffic exchange points. We have also established video PoPs connected by leased fiber at key video exchange points around the world, including Johannesburg, Los Angeles, Denver, New York, Washington, D.C., Miami and London. We lease our facilities at these video exchange points. We use our teleports and PoPs in combination with our satellite network to provide our customers with managed data and video services.

We lease office space in Luxembourg and London, England. Our Luxembourg office serves as the global headquarters for us and our Luxembourg parents and subsidiaries. Our London office houses the employees of Intelsat Global Sales and Marketing Ltd., our sales and marketing subsidiary, and administrative support, and functions as our global sales headquarters.

We also lease office space in Florida, Australia, Brazil, China, France, Germany, India, Japan, Kenya, Mexico, the Russian Federation, Singapore, South Africa, Senegal and the United Arab Emirates for our local sales and marketing and administrative support offices.

The leases relating to our TT&C earth stations, teleports, PoPs and office space expire at various times. We do not believe that any such properties are individually material to our business or operations, and we expect that we could find suitable properties to replace such locations if the leases were not renewed at the end of their respective terms.

Item 4A. Unresolved Staff Comments

Not applicable.

Item 5. Operating and Financial Review and Prospects

This discussion should be read together with Item 3A—Selected Financial Data and our consolidated financial statements and their notes included elsewhere in this Annual Report. Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP, and, unless otherwise indicated, the other financial information contained in this Annual Report has also been prepared in accordance with U.S. GAAP. See “Forward-Looking Statements” and Item 3D—Risk Factors, for a discussion of factors that could cause our future financial condition and results of operations to be different from those discussed below. Certain monetary amounts, percentages and other figures included in this Annual Report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them. Unless otherwise indicated, all references to “dollars” and “\$” in this Annual Report are to, and all monetary amounts in this Annual Report are presented in, U.S. dollars.

Overview

We operate one of the world’s largest satellite services businesses, providing a critical layer in the global communications infrastructure.

We provide diversified communications services to the world’s leading media companies, fixed and wireless telecommunications operators, data networking service providers for enterprise and mobile applications in the air and on the seas, multinational corporations and ISPs. We are also the leading provider of commercial satellite capacity to the U.S. government and other select military organizations and their contractors.

Our customers use our Global Network for a broad range of applications, from global distribution of content for media companies to providing the transmission layer for commercial aeronautical consumer broadband connectivity, to enabling essential network backbones for telecommunications providers in high-growth emerging regions.

Our network solutions are a critical component of our customers' infrastructures and business models. Generally, our customers need the specialized connectivity that satellites provide so long as they are in business or pursuing their mission. In recent years, mobility services providers have contracted for services on our fleet that support broadband connections for passengers on commercial flights and cruise ships, connectivity that in some cases is only available through our network. In addition, our satellite neighborhoods provide our media customers with efficient and reliable broadcast distribution that maximizes audience reach, a technical and economic benefit that is difficult for terrestrial services to match. In developing regions, our satellite solutions often provide higher reliability than is available from local terrestrial telecommunications services and allow our customers to reach geographies that they would otherwise be unable to serve.

Critical Accounting Policies

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts and related disclosures. We consider an accounting estimate to be critical if: (1) it requires assumptions to be made that were uncertain at the time the estimate was made; and (2) changes in the estimate, or selection of different estimates, could have a material effect on our consolidated results of operations or financial condition.

We believe that some of the more important estimates and related assumptions that affect our financial condition and results of operations are in the areas of revenue recognition, the allowance for doubtful accounts, asset impairments, income taxes and pension and other postretirement benefits.

In January 2018, we adopted the Accounting Standard Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)* using the modified retrospective method. We recognized the cumulative effect of initially applying the new standard as an adjustment to the opening balance of accumulated deficit. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. Based on our assessment, the adoption of the new standard impacts the total consideration for prepayment contracts, accounting of incremental costs for obtaining a contract, allocation of the transaction price to performance obligations and accounting for contract modifications, and requires additional disclosures.

While we believe that our estimates, assumptions, and judgments are reasonable, they are based on information presently available. Actual results may differ significantly. Additionally, changes in our assumptions, estimates or assessments as a result of unforeseen events or otherwise could have a material impact on our financial position or results of operations.

Revenue Recognition, Accounts Receivable and Allowance for Doubtful Accounts

Revenue Recognition. We earn revenue primarily from satellite utilization services and, to a lesser extent, from providing managed services to our customers. The Company's contracts for satellite utilization services often contain multiple service orders for the provision of capacity on or over different beams, satellites, frequencies, geographies or time periods. Under each separate service order, the Company's satellite services, comprised of transponder services, managed services, channel services, and occasional use managed services, are delivered in a series of time periods that are distinct from each other and have the same pattern of transfer to the customer. In each period, the Company's obligation is to make those services available to the customer. Throughout each period of services being provided, the customer simultaneously receives and consumes the benefits, resulting in revenue recognition over time. Our contract assets include unbilled amounts typically resulting from sales under our long-term contracts when the total contract value is recognized on a straight-line basis and the revenue recognized exceeds the amount billed to the customer. Contract liabilities consist of advance payments and collections in excess of revenue recognized and deferred revenue.

While the majority of our revenue transactions contain standard business terms and conditions, there are certain transactions that contain non-standard business terms and conditions. As a result, significant contract interpretation is sometimes required to determine the appropriate accounting for these transactions, including but not limited to:

- whether contracts with a prepayment contain a significant financing component;
- whether an arrangement should be reported gross as a principal versus net as an agent; and
- whether an arrangement contains a service contract or a lease.

In addition, our revenue recognition policy requires an assessment as to whether collection is reasonably assured, which requires us to evaluate the creditworthiness of our customers. Changes in judgments in making these assumptions and estimates could materially impact the timing and/or amount of revenue recognition.

Allowance for Doubtful Accounts. Our allowance for doubtful accounts is determined through a subjective evaluation of the aging of our accounts receivable, and considers such factors as the likelihood of collection based upon an evaluation of the customer's creditworthiness, the customer's payment history and other conditions or circumstances that may affect the likelihood of payment, such as political and economic conditions in the country in which the customer is located. If our estimate of the likelihood of collection is not accurate, we may experience lower revenue or a change in our provision for doubtful accounts.

Asset Impairment Assessments

Goodwill. We account for goodwill and other intangible assets in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC" or the "Codification") Topic 350—*Intangibles—Goodwill and Other*. Under this topic, goodwill acquired in a business combination and determined to have an indefinite useful life is not amortized but is tested for impairment annually or more often if an event or circumstances indicate that an impairment loss has been incurred. We are required to identify reporting units for impairment analysis. We have identified only one reporting unit for the goodwill impairment test. Additionally, our identifiable intangible assets with estimable useful lives are amortized based on the expected pattern of consumption for each respective asset.

Assumptions and Approach Used. We make our qualitative evaluation considering, among other things, general macroeconomic conditions, industry and market considerations, cost factors, overall financial performance and other relevant entity-specific events.

At December 31, 2017, we reassessed the different qualitative factors and updated our assessment. Based on our review, since the fixed and mobile satellite services industry was under pressure (pricing over-supply, value-chain inefficiencies) and since comparable companies had demonstrated negative to minimal revenue growth with equities underperforming, we determined that a quantitative assessment of goodwill was appropriate. Based on our quantitative analysis, we concluded that there was no impairment for goodwill at December 31, 2017.

Based on our qualitative assessment performed at December 31, 2018, we concluded that there was not a likelihood of more than 50% that the fair value of our reporting unit was less than its carrying value; therefore, no further testing of goodwill was required.

Orbital Locations and Trade Name. Intelsat is authorized by governments to operate satellites at certain orbital locations—i.e., longitudinal coordinates along the Clarke Belt. The Clarke Belt is the part of space approximately 35,800 kilometers above the plane of the equator where geostationary orbit may be achieved. Various governments acquire rights to these orbital locations through filings made with the ITU, a sub-organization of the United Nations. We will continue to have rights to operate satellites at our orbital locations so long as we maintain our authorizations to do so. See "Part I—Item 3D—Risk Factors—Risk Factors Relating to Regulation".

Our rights to operate at orbital locations can be used and sold individually; however, since satellites and customers can be and are moved from one orbital location to another, our rights are used in conjunction with each other as a network that can be adapted to meet the changing needs of our customers and market demands. Due to the interchangeable nature of orbital locations, the aggregate value of all of the orbital locations is used to measure the extent of impairment, if any.

At December 31, 2017 and 2018, we determined, based on an examination of qualitative factors, that there was no impairment of our orbital locations and trade name.

Long-Lived and Amortizable Intangible Assets. We review our long-lived and amortizable intangible assets to assess whether an impairment has occurred in accordance with the guidance provided under FASB ASC Topic 360—*Property, Plant and Equipment*, whenever events or changes in circumstances indicate, in our judgment, that the carrying amount of an asset may not be recoverable. These indicators of impairment can include, but are not limited to, the following:

- satellite anomalies, such as a partial or full loss of power;
- under-performance of an asset as compared to expectations; and
- shortened useful lives due to changes in the way an asset is used or expected to be used.

The recoverability of an asset to be held and used is measured by a comparison of the carrying amount of the asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds its fair value, determined by either a quoted market price, if any, or a value determined by utilizing discounted cash flow techniques. Additionally, when assets are expected to be used in future periods, a shortened depreciable life may be utilized if appropriate, resulting in accelerated depreciation.

Assumptions and Approach Used. We employ a discounted future cash flow approach to estimate the fair value of our long lived intangible assets when an impairment assessment is required.

Income Taxes

We account for income taxes in accordance with the guidance provided under the Income Taxes topic of the Codification (“FASB ASC 740”). We are subject to income taxes in Luxembourg as well as a number of foreign jurisdictions, including the United States. Significant judgment is required in the calculation of our tax provision and the resultant tax liabilities and in the recoverability of our deferred tax assets that arise from temporary differences between the tax and financial statement recognition of revenue and expense and net operating loss and credit carryforwards.

We regularly assess the likelihood that our deferred tax assets can be recovered. A valuation allowance is required when it is more likely than not that all or a portion of the deferred tax asset will not be realized. We evaluate the recoverability of our deferred tax assets based in part on the existence of deferred tax liabilities that can be used to realize the deferred tax assets.

During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. We evaluate our tax positions to determine if it is more likely than not that a tax position is sustainable, based solely on its technical merits and presuming the taxing authorities have full knowledge of the position, and access to all relevant facts and information. When a tax position does not meet the more likely than not standard, we record a liability for the entire amount of the unrecognized tax impact. Additionally, for those tax positions that are determined more likely than not to be sustainable, we measure the tax position at the largest amount of benefit more likely than not (determined by cumulative probability) to be realized upon settlement with the taxing authority.

Pension and Other Postretirement Benefits

We maintain a noncontributory defined benefit retirement plan covering substantially all of our employees hired prior to July 19, 2001. The cost of providing benefits to eligible participants under the defined benefit retirement plan is calculated using the plan’s benefit formulas, which take into account the participants’ remuneration, dates of hire, years of eligible service, and certain actuarial assumptions. In addition, as part of the overall medical plan, we provide postretirement medical benefits to certain current retirees who meet the criteria under the medical plan for postretirement benefit eligibility.

Expenses for our defined benefit retirement plan and for postretirement medical benefits that are provided under our medical plan are developed from actuarial valuations. Any significant decline in the fair value of our defined benefit retirement plan assets or other adverse changes to the significant assumptions used to determine the plan’s funded status would negatively impact its funded status and could result in increased funding in future periods.

Key assumptions, including discount rates used in determining the present value of future benefit payments and expected return on plan assets, are reviewed and updated on an annual basis. The discount rates reflect market rates for high-quality corporate bonds. We consider current market conditions, including changes in interest rates, in making assumptions. The Society of Actuaries (“SOA”) issued new mortality and mortality improvement tables and modified those tables in 2016, 2017 and 2018. Our December 31, 2018 valuation used mortality and improvement tables based on the SOA tables, adjusted to reflect (1) an ultimate rate of mortality improvement consistent with both historical experience and U.S. Social Security long-term projections, and (2) a shorter transition period to reach the ultimate rate, which is consistent with historical patterns. In establishing the expected return on assets assumption, we review the asset allocations considering plan maturity and develop return assumptions based on different asset classes. The return assumptions are established after reviewing historical returns of broader market indexes, as well as historical performance of the investments in the plan.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, to increase transparency and comparability by recognizing substantially all leases on the balance sheet. Under the new standard, a lessee will recognize on its balance sheet a

lease liability and a right-of-use (“ROU”) asset for most leases, with certain practical expedients available. ASU 2016-02 is effective for interim and annual periods beginning after December 15, 2018. Subsequent to ASU 2016-02, the FASB issued ASU 2018-10 *Codification Improvements to Topic 842, Leases*, ASU 2018-11 *Targeted Improvements*, and ASU 2018-20 *Narrow-Scope Improvements for Lessors*, which amend and clarify aspects of the guidance issued in ASU 2016-02. ASU 2018-11 provides an alternative transition method (the “effective date method”).

We intend to adopt ASU 2016-02 on January 1, 2019 and apply the package of practical expedients included therein, as well as utilize the effective date method included in ASU 2018-11. Under the package of practical expedients, we will not reassess (a) whether expired or existing contracts contain a lease under the new definition of a lease, (b) lease classification for expired or existing leases, and (c) whether previously capitalized initial direct costs would qualify for capitalization under Topic 842. We also intend to apply the practical expedients for lessees and lessors to exempt short term leases and to account for each non lease component associated with a lease component as a single component when the applicable criteria are met. By applying ASU 2016-02 at the adoption date, as opposed to at the beginning of the earliest period presented, our reporting for periods prior to January 1, 2019 will continue to be in accordance with Leases (Topic 840). In preparation for adoption of the standard, we have implemented internal controls and key system functionality to enable the preparation of the necessary financial information.

The new standard will have a material impact on our consolidated balance sheets, and we expect to recognize ROU assets and related lease liabilities for operating leases in the range of \$85.0 million to \$95.0 million, and \$110.0 million to \$120.0 million, respectively, with no material impact on our consolidated statement of operations and statement of cash flows. The new standard may have lessor accounting implications where certain future contracts that convey the right to control the use of a significant portion of the satellite may be accounted for using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases, which could potentially result in more upfront revenue recognition.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which changes how companies measure and recognize credit impairment for any financial assets. The standard requires companies to immediately recognize an estimate of credit losses expected to occur over the remaining life of the financial assets that are within the scope of the standard. The scope of Subtopic 326-20, *Financial Instruments - Credit Losses - Measured at Amortized Cost*, includes financial assets measured at amortized cost basis, including net investments in leases arising from sales-type and direct financing leases. The scope does not specifically address receivables arising from operating leases. In November 2018, the FASB issued 2018-19, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses* to clarify that receivables arising from operating leases are not within the scope of Subtopic 326-20. Instead, impairment of receivables arising from operating leases should be accounted for in accordance with Topic 842, *Leases*. Both ASU 2016-13 and ASU 2018-19 are effective for interim and annual periods beginning after December 15, 2019 for public business entities that are SEC filers, on a modified retrospective basis. Early adoption is permitted for interim and annual periods beginning after December 15, 2018. We are in the process of evaluating the impact that ASU 2016-13 and ASU 2018-19 will have on our consolidated financial statements and associated disclosures.

In January 2017, the FASB issued ASU 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*, which is intended to simplify the subsequent measurement of goodwill. The amendments in ASU 2017-04 modify the concept of impairment from the condition that exists when the carrying amount of goodwill exceeds its fair value to the condition that exists when the carrying amount of a reporting unit exceeds its fair value. An entity will no longer determine goodwill impairment by calculating the implied fair value of goodwill by assigning the fair value of a reporting unit to all of its assets and liabilities, as if that reporting unit had been acquired in a business combination. ASU 2017-04 will be effective for interim and annual goodwill impairment tests in fiscal years beginning after December 15, 2019 for public business entities, on a prospective basis. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. When adopted, we will measure impairment using the difference between the carrying amount and the fair value of the reporting unit, if required.

In February 2018, the FASB issued ASU 2018-02, *Income Statement - Reporting Comprehensive Income (Topic 220)*, which allows for an optional reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act. Consequently, the amendments eliminate the stranded tax effects resulting from the Tax Cuts and Jobs Act for those entities that elect the optional reclassification. The amendments in this update will also require certain disclosures about stranded tax effects. ASU 2018-02 is effective for all entities for interim and annual periods beginning after December 15, 2018. The adoption of ASU 2018-02 is not expected to have a significant impact on our consolidated financial statements and associated disclosures.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820)*, as part of its disclosure framework project to improve the effectiveness of disclosures in the notes to financial statements. ASU 2018-13 modifies disclosure requirements on fair value measurements in Topic 820, and is effective for all entities for interim and annual periods beginning after December 15, 2019. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. Early adoption is allowed for any removed or modified disclosures upon issuance of ASU 2018-13 and delay adoption for the additional disclosures until their effective date. We are in the process of evaluating the impact that ASU 2018-13 will have on our consolidated financial statements and associated disclosures.

In August 2018, the FASB issued ASU 2018-14, *Compensation - Retirement Benefits - Defined Benefit Plans - General (Subtopic 715-20)*, as part of its disclosure framework project to improve the effectiveness of disclosures in the notes to financial statements. ASU 2018-14 modifies and clarifies disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. The amendments remove certain disclosure requirements and require additional disclosures including the weighted-average interest crediting rates for cash balance plans and other plans with promised interest crediting rates, an explanation of the reasons for significant gains and losses related to changes in the benefit obligation for the period, the projected benefit obligation "PBO" and fair value of plan assets for plans with PBOs in excess of plan assets, and the accumulated benefit obligation "ABO" and fair value of plan assets for plans with ABOs in excess of plan assets. ASU 2018-14 is effective for public business entities for fiscal years ending after December 15, 2020, on a retrospective basis to all periods presented with early adoption allowed. We are in the process of evaluating the impact that ASU 2018-14 will have on our consolidated financial statements and associated disclosures.

In August 2018, the FASB issued ASU 2018-15, *Intangibles - Goodwill and Other Internal-Use Software (Subtopic 350-40)*, to improve current U.S. GAAP by clarifying the accounting for implementation costs of a hosting arrangement that is a service contract. The amendments align the requirements for capitalizing implementation costs incurred in a cloud computing arrangement (hosting arrangement) that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). The amendments require costs for implementation activities in the application development stage to be capitalized depending on the nature of the costs, and costs incurred during the preliminary project and post-implementation stages to be expensed as the activities are performed. ASU 2018-15 also requires the entity (customer) to expense capitalized implementation costs of a hosting arrangement that is a service contract over the term of the hosting arrangement, and the entity (customer) to present the expense related to the capitalized implementation costs in the same line item in the statement of income as the fees associated with the hosting element (service) of the arrangement, as well as to classify payments for capitalized implementation costs in the statement of cash flows in the same manner as payments made for fees associated with the hosting element. ASU 2018-15 is effective for public business entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. ASU 2018-15 can be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption, with early adoption allowed. We are in the process of evaluating the impact that ASU 2018-15 will have on our consolidated financial statements and associated disclosures.

In November 2018, the FASB issued ASU 2018-18, *Collaborative Arrangements (Topic 808) - Clarifying the Interaction between Topic 808 and Topic 606*, to clarify the interaction between Topic 808, *Collaborative Arrangements* and Topic 606, *Revenue from Contracts with Customers*. ASU 2018-18 is effective for public business entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years, with early adoption allowed. ASU 2018-18 can be applied retrospectively to the date of initial application of Topic 606, with cumulative effect of initially applying the amendments in this update adjusted to the opening balance of retained earnings of the later of the earliest annual period presented and the annual period that includes the date of the entity's initial application of Topic 606. The amendments in ASU 2018-18 can be applied to all contracts or only to contracts that are not completed at the date of initial application of Topic 606. We are in the process of evaluating the impact that ASU 2018-18 will have on our consolidated financial statements and associated disclosures.

Revenue

Revenue Overview

We earn revenue primarily by providing services over satellite transponder capacity to our customers. Our customers generally obtain satellite capacity from us by placing an order pursuant to one of several master customer service agreements. The master customer agreements and related service orders under which we sell services specify, among other things, the amount of satellite capacity to be provided, whether service will be non-preemptible or preemptible and the service term. Most

services are full time in nature, with service terms ranging from one year to as long as 16 years. Occasional use services used for video applications can be for much shorter periods, including increments of one hour. Our master customer service agreements offer different service types, including transponder services, managed services, and channel, which are all services that are provided on, or used to provide access to, our global network. We refer to these services as on-network services. Our customer agreements also cover services that we procure from third parties and resell, which we refer to as off-network services. These services can include transponder services and other satellite-based transmission services sourced from other operators, often in frequencies not available on our network, and other operational fees related to satellite operations provided on behalf of third-party satellites. The following table describes our primary service types:

Service Type	Description
On-Network Revenues:	
Transponder Services	<p>Commitments by customers to receive service via, or to utilize capacity on, particular designated transponders according to specified technical and commercial terms. Transponder services also include revenues from hosted payload capacity. Transponder services are marketed to each of our primary customer sets as follows:</p> <ul style="list-style-type: none"> •Network Services: fixed and wireless telecom operators, data network operators, enterprise operators of private data networks, and value-added network operators for fixed and mobile broadband network infrastructure. •Media: broadcasters (for distribution of programming and full time contribution, or gathering, of content), programmers and DTH operators. •Government: civilian and defense organizations, for use in implementing private fixed and mobile networks, or for the provision of capacity or capabilities through hosted payloads.
Managed Services	<p>Hybrid services primarily using IntelsatOne®, including our IntelsatOne® Flex broadband platform, which combine satellite capacity, teleport facilities, satellite communications hardware such as broadband hubs or video multiplexers and fiber optic cable and other ground facilities to provide managed and monitored broadband, trunking, video and private network services to customers. Managed services are marketed to each of our customer sets as follows:</p> <ul style="list-style-type: none"> •Network Services: enterprises, cellular operators and fixed and mobile value-added service providers which deliver end-services such as private data networks, wireless infrastructure and maritime and aeronautical broadband. •Media: programmers outsourcing elements of their transmission infrastructure and part time occasional use services used primarily by news and sports organizations to gather content from remote locations. •Government: users seeking secured, integrated, end-to-end solutions.
Channel	<p>Standardized services of predetermined bandwidth and technical characteristics primarily used for point-to-point bilateral services for telecommunications providers. Channel is not considered a core service offering due to changing market requirements and the proliferation of fiber alternatives for point-to-point customer applications. Channel services are exclusively marketed to traditional telecommunications providers in our network services customer set.</p>
Transponder, Mobile Satellite Services and Other	<p>Capacity for voice, data and video services provided by third-party commercial satellite operators for which the desired frequency type or geographic coverage is not available on our network. These services include L-band MSS, for which Intelsat General is a reseller. In addition, this revenue category includes the sale of customer premises equipment and other hardware, as well as certain fees related to services provided to other satellite operators. These products are primarily marketed as follows:</p> <ul style="list-style-type: none"> •Government: direct government users, and government contractors working on programs where aggregation of capacity is required.
Satellite-related Services	<p>Services include a number of satellite-related consulting and technical services that involve the lifecycle of satellite operations and related infrastructure, from satellite and launch vehicle procurement through TT&C services and related equipment sales. These services are typically marketed to other satellite operators.</p>

We market our services on a global basis, with almost every populated region of the world contributing to our revenue. The diversity of our revenue allows us to benefit from changing market conditions and lowers our risk from revenue fluctuations in our service applications and geographic regions.

Trends Impacting Our Revenue

Our revenue at any given time is dependent upon a number of factors, including, but not limited to, demand for our services from existing and emerging applications; the supply of capacity available on our fleet and those of our competitors in a given region, and the substitution of competing technologies such as fiber optic cable networks. See Item 4B—Business Overview—Our Sector for a discussion of the global trends creating demand for our services. Trends in revenue can be impacted by:

- Growth in demand from wireless telecommunications companies seeking to complete or enhance broadband infrastructure, particularly those operating in developing regions or regions with geographic challenges;
- Growth in demand for broadband connectivity for enterprises and government organizations, providing fixed and mobile services and value-added applications on a global basis;
- Lower overall pricing for satellite-based services, resulting from oversupply of wide beam capacity or due to introduction of high throughput technology, which is designed to achieve a lower cost per unit;
- Lower demand for satellite-based solutions, resulting from fiber substitution;
- Satellite capacity needed to provide broadband connectivity for mobile networks on ships, planes and oil and gas platforms;
- Global demand for television content in standard, HD and UHD television formats, which uses our satellite network and IntelsatOne® terrestrial services for distribution, in some regions offset by next generation compression technologies;
- Increased popularity of OTT content distribution, which will increase the demand for broadband infrastructure in the developing world, but could decrease demand in developed markets over the mid to long-term as niche and ethnic programming transitions from satellite to internet distribution;
- Use of commercial satellite services by governments for military and other operations, which has partially slowed as a result of the tempo of military operations and recent changes in the U.S. budget; and
- Our use of third-party or off-network services to satisfy government demand for capacity not available on our network. These services are low risk in nature, with no required up-front investment and terms and conditions of the procured capacity which typically match the contractual commitments from our customers. Demand for certain of these off-network services has declined with reductions in troop deployment in regions of conflict.

See Item 4B—Business Overview—Our Customer Sets and Growing Applications for a discussion of our customers' uses of our services and see Item 4B—Business Overview—Our Strategy for a discussion of our strategies with respect to marketing to our various customer sets.

Customer Applications

Our transponder services, managed services, MSS and channel are used by our customers for three primary customer applications: network service applications, media applications and government applications.

Pricing

Pricing of our services is based upon a number of factors, including, but not limited to, the region served by the capacity, the power and other characteristics of the satellite beam, the amount of demand for the capacity available on a particular satellite and the total supply of capacity serving any particular region. In 2018, pricing trends were fairly stable throughout the year, albeit slightly lower than 2017, with declines in network services from lower pricing on high volume commitments leveraging our global wide beam and Intelsat Epic^{NG} fleets and government applications commanding competitive prices due to lowest price technically acceptable ("LPTA") policies. Media application pricing was stronger in 2018 as compared to 2017, but under pressure from competing lower-cost terrestrial alternatives. According to Euroconsult, the annual average price per transponder for C- and Ku- band capacity is forecasted to be on a slight downward trend globally from \$1.28 million to \$1.14 million per 36 MHz transponder over the period from 2018 to 2023, reflecting increasing supply from new satellite entrants, among other factors. HTS capacity, which is designed to attain a lower cost point, facilitating market expansion into new applications, is expected to have similar rates of yield decline over time as increased supply enters the market.

The pricing of our services is generally fixed for the duration of the service commitment. New and renewing service commitments are priced to reflect regional demand and other factors as discussed above.

Operating Expenses

Direct Costs of Revenue (Excluding Depreciation and Amortization)

Direct costs of revenue relate to costs associated with the operation and control of our satellites, our communications network and engineering support, and the purchase of off-network capacity. Direct costs of revenue consist principally of salaries and related employment costs, in-orbit insurance, earth station operating costs and facilities costs. Our direct costs of revenue fluctuate based on the number and type of services offered and under development, particularly as sales of off-network transponder services and sales of customer premises equipment fluctuate. We expect our direct costs of revenue to increase as we add customers and expand our managed services and use of off-network capacity.

Selling, General and Administrative Expenses

Selling, general and administrative expenses relate to costs associated with our sales and marketing staff and our administrative staff, which include legal, finance, corporate information technology and human resources. Staff expenses consist primarily of salaries and related employment costs, including stock compensation, travel costs and office occupancy costs. Selling, general and administrative expenses also include building maintenance and rent expenses and the provision for uncollectible accounts. Selling, general and administrative expenses generally fluctuate with the number of customers served and the number and types of services offered. These expenses also include research and development expenses, and fees for professional services.

Depreciation and Amortization

Our capital assets consist primarily of our satellites and associated ground network infrastructure. Included in capitalized satellite costs are the costs for satellite construction, satellite launch services, insurance premiums for satellite launch and the in-orbit testing period, the net present value of deferred satellite performance incentives payable to satellite manufacturers, and capitalized interest incurred during the satellite construction period.

Capital assets are depreciated or amortized on a straight-line basis over their estimated useful lives. The remaining depreciable lives of our satellites range from less than one year to 16 years as of December 31, 2018.

Contracted Backlog

We benefit from strong visibility of our future revenues. Our contracted backlog is our expected future revenue under existing customer contracts and includes both cancellable and non-cancellable contracts. As of December 31, 2018, our contracted backlog was approximately \$8.1 billion after the adoption of ASC 606 and \$7.1 billion excluding the impact of the adoption of ASC 606. Referring to contracted backlog including the adoption of ASC 606, approximately 88% of this backlog related to contracts that were non-cancellable and approximately 11% related to contracts that were cancellable subject to substantial termination fees. As of December 31, 2018, the weighted average remaining customer contract life was approximately 4 years. We expect to deliver services associated with approximately \$1.8 billion, or approximately 22%, of our December 31, 2018 contracted backlog during the year ending December 31, 2019. The amount included in backlog represents the full service charge for the duration of the contract and does not include termination fees. The amount of the termination fees, which is not included in the backlog amount, is generally calculated as a percentage of the remaining backlog associated with the contract. In certain cases of breach for non-payment or customer financial distress or bankruptcy, we may not be able to recover the full value of certain contracts or termination fees. Our contracted backlog includes 100% of the backlog of our consolidated ownership interests, which is consistent with the accounting for our ownership interest in these entities.

Our contracted backlog as of December 31, 2018 was as follows (in millions):

Period	Amount Excluding ASC 606	Amount Including ASC 606
2019	\$ 1,662.0	\$ 1,764.7
2020	1,201.2	1,308.2
2021	856.7	964.3
2022	669.8	778.7
2023	548.6	657.5
2024 and thereafter	2,112.4	2,664.2
Total	\$ 7,050.7	\$ 8,137.6

Our contracted backlog by service type as of December 31, 2018 was as follows (in millions, except percentages):

Service Type	Amount Excluding ASC 606		Amount Including ASC 606	
		Percent		Percent
Transponder services	\$ 5,693.2	81%	\$ 6,740.1	83%
Managed services	1,126.3	16%	1,166.3	14%
Off-Network and Other Channel	228.7	3%	228.7	3%
	2.5	—%	2.5	—%
Total	\$ 7,050.7	100%	\$ 8,137.6	100%

We believe this backlog and the resulting predictable cash flows in the FSS sector make our results less volatile than that of typical companies outside our industry.

A. Operating Results Years Ended December 31, 2017 and 2018

The following table sets forth our comparative statements of operations for the periods shown with the increase (decrease) and percentage changes, except those deemed not meaningful (“NM”), between the periods presented (in thousands, except percentages):

	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017 Compared to Year Ended December 31, 2018	
			Increase (Decrease)	Percentage Change
Revenue	\$ 2,148,612	\$ 2,161,190	\$ 12,578	1 %
Operating expenses:				
Direct costs of revenue (excluding depreciation and amortization)	324,232	330,874	6,642	2 %
Selling, general and administrative	205,475	200,857	(4,618)	(2)%
Depreciation and amortization	707,824	687,589	(20,235)	(3)%
Total operating expenses	1,237,531	1,219,320	(18,211)	(1)%
Income from operations	911,081	941,870	30,789	3 %
Interest expense, net	1,020,770	1,212,374	191,604	19 %
Loss on early extinguishment of debt	(4,109)	(199,658)	(195,549)	NM
Other income, net	10,114	4,541	(5,573)	(55)%
Loss before income taxes	(103,684)	(465,621)	(361,937)	NM
Provision for income taxes	71,130	130,069	58,939	83 %
Net loss	(174,814)	(595,690)	(420,876)	NM
Net income attributable to noncontrolling interest	(3,914)	(3,915)	(1)	— %
Net loss attributable to Intelsat S.A.	\$ (178,728)	\$ (599,605)	\$ (420,877)	NM

Revenue

The following table sets forth our comparative revenue by service type, with Off-Network and Other Revenues shown separately from On-Network Revenues for the periods below (in thousands, except percentages):

	Year Ended December 31, 2018							
	Year Ended December 31, 2017	Revenues Without the Adoption of ASC 606	ASC 606 Adjustments	Revenues After the Adoption of ASC 606	Increase (Decrease) With Adoption of ASC 606	Percentage Change With Adoption of ASC 606	Increase (Decrease) Without Adoption of ASC 606	Percentage Change Without Adoption of ASC 606
On-Network Revenues								
Transponder services	\$ 1,543,384	\$ 1,475,247	\$ 95,031	\$ 1,570,278	\$ 26,894	2 %	\$ (68,137)	(4)%
Managed services	412,147	386,597	6,667	393,264	(18,883)	(5)	(25,550)	(6)
Channel	5,405	4,250	—	4,250	(1,155)	(21)	(1,155)	(21)
Total on-network revenues	1,960,936	1,866,094	101,698	1,967,792	6,856	—	(94,842)	(5)
Off-Network and Other Revenues								
Transponder, MSS and other off-network services	141,845	148,807	1,379	150,186	8,341	6	6,962	5
Satellite-related services	45,831	43,082	130	43,212	(2,619)	(6)	(2,749)	(6)
Total off-network and other revenues	187,676	191,889	1,509	193,398	5,722	3	4,213	2
Total	<u>\$ 2,148,612</u>	<u>\$ 2,057,983</u>	<u>\$ 103,207</u>	<u>\$ 2,161,190</u>	<u>\$ 12,578</u>	1 %	<u>\$ (90,629)</u>	(4)%

Total revenue for the year ended December 31, 2018 increased by \$12.6 million, or 1%, as compared to the year ended December 31, 2017. Excluding the impact of ASC 606 adjustments, total revenue for the year ended December 31, 2018 decreased by \$90.6 million or 4% as compared to the year ended December 31, 2017. By service type, our revenues increased or decreased due to the following:

On-Network Revenues:

- *Transponder services*—an aggregate increase of \$26.9 million, of which \$95.0 million is attributable to ASC 606 adjustments. Excluding the impact of ASC 606 adjustments, the resulting decrease of \$68.1 million was primarily due to a \$35.0 million net decrease in revenue from network services customers and a \$27.9 million decrease from media customers. The decrease in network services revenue was mainly due to declines for wide-beam wireless infrastructure and enterprise services due to non-renewals, renewals at lower pricing, and service contractions, partially offset by increases for maritime and aeronautical mobility applications. The decrease in media revenue was mainly due to non-renewals and pricing declines largely in the North America region.
- *Managed services*—an aggregate decrease of \$18.9 million, inclusive of an increase of \$6.7 million attributable to ASC 606 adjustments. Excluding the impact of ASC 606 adjustments, the resulting decrease of \$25.6 million was largely due to a decrease of \$12.7 million in revenue from media customers mainly due to advanced payments forfeited and fees related to a partial customer contract termination in 2017 with no comparable amounts in 2018, non-renewals related to managed video solutions, and a decline in managed media occasional use services. Revenue from network services customers decreased by \$9.1 million, relating to point-to-point trunking applications that are switching to fiber alternatives, and revenue for managed network applications from our government customers decreased by \$7.6 million largely in connection with a previously disclosed termination of a maritime contract. These declines were partially offset by a \$6.0 million increase in revenue from network services customers largely related to mobility applications.
- *Channel*—an aggregate decrease of \$1.2 million related to a continued decline due to the migration of international point-to-point satellite traffic to fiber optic cable, a trend we expect will continue.

Off-Network and Other Revenues:

- *Transponder, MSS and other off-network services*—an aggregate increase of \$8.3 million, of which \$1.4 million is attributable to ASC 606 adjustments. Excluding the impact of ASC 606 adjustments, the resulting increase of \$7.0 million was primarily due to growth in revenue from third-party applications in support of government customers and an increase in managed services revenue from network services and media customers.
- *Satellite-related services*—an aggregate decrease of \$2.6 million, inclusive of an increase of \$0.1 million attributable to ASC 606 adjustments. Excluding the impact of ASC 606 adjustments, the resulting decrease of \$2.8 million reflects decreased revenues from professional services supporting third-party satellites and government customers.

Operating Expenses

Direct Costs of Revenue (Excluding Depreciation and Amortization)

Direct costs of revenue increased by \$6.6 million, or 2%, to \$330.9 million for the year ended December 31, 2018, as compared to the year ended December 31, 2017. The increase was primarily due to the following:

- an increase of \$8.8 million largely due to higher cost of sales for customer premise equipment and higher third-party costs for off-network services; and
- an increase of \$4.7 million in staff-related expenses; partially offset by
- a decrease of \$2.9 million primarily driven by lower expenses related to ground network enhancements for our media business;
- a decrease of \$2.0 million in satellite-related insurance costs; and
- a decrease of \$1.4 million in licenses and fees.

Selling, General and Administrative

Selling, general and administrative expenses decreased by \$4.6 million, or 2%, to \$200.9 million for the year ended December 31, 2018, as compared to the year ended December 31, 2017. The decrease was primarily due to the following:

- a decrease of \$8.9 million in staff-related expenses due to share-based compensation; and
- a decrease of \$1.4 million in sales and marketing expenses; partially offset by
- an increase of \$3.3 million in bad debt expense primarily due to settlement of a delinquent account in 2017; and
- an increase of \$1.8 million in operating tax expenses mainly due to higher property taxes.

Depreciation and Amortization

Depreciation and amortization expense decreased by \$20.2 million, or 3%, to \$687.6 million for the year ended December 31, 2018, as compared to the year ended December 31, 2017. Significant items impacting depreciation and amortization included:

- a decrease of \$72.1 million in depreciation expense due to the timing of certain satellites becoming fully depreciated, and other satellite related expenses; and
- a decrease of \$3.8 million in amortization expense primarily due to changes in the pattern of consumption of amortizable intangible assets, as these assets primarily include acquired backlog, which relates to contracts covering varying periods that expire over time, and acquired customer relationships, for which the value diminishes over time; partially offset by
- an increase of \$45.2 million in depreciation expense resulting from the impact of satellites placed in service; and
- an increase of \$10.5 million in depreciation expense resulting from the impact of certain ground segment and building segment assets placed in service.

Interest Expense, Net

Interest expense, net consists of gross interest expense we incur together with gains and losses on interest rate cap contracts (which reflect the change in their fair value), offset by interest income earned and the amount of interest we capitalize related to assets under construction. As of December 31, 2018, we held interest rate cap contracts with an aggregate notional amount of \$2.4 billion to mitigate the risk of interest rate increases on the floating-rate term loans under our senior secured credit facilities. The caps have not been designated as hedges for accounting purposes.

Interest expense, net increased by \$191.6 million, or 19%, to \$1.2 billion for the year ended December 31, 2018, as compared to the year ended December 31, 2017. The increase in interest expense, net was principally due to:

- an increase of \$116.3 million primarily related to the significant financing component identified in customer contracts in accordance with ASC 606;
- an increase of \$68.4 million primarily driven by our new debt issuances and amendments with higher interest rates, partially offset by certain debt repurchases and exchanges in 2018; and
- an increase of \$26 million from lower capitalized interest, primarily resulting from decreased levels of satellites and related assets under construction; partially offset by
- a decrease of \$15.4 million corresponding to the increase in fair value of the interest rate cap contracts.

The non-cash portion of total interest expense, net was \$150.4 million for the year ended December 31, 2018. The non-cash interest expense was primarily due to the significant financing component identified in customer contracts in accordance with ASC 606 and the amortization of deferred financing fees, amortization and accretion of discounts and premiums, and interest expense related to the significant financing component identified in customer contracts offset, in part, by the gain from the increase in fair value of the interest rate cap contracts we hold.

Loss on Early Extinguishment of Debt

Loss on early extinguishment of debt was \$199.7 million for the year ended December 31, 2018, as compared to a loss of \$4.1 million for the year ended December 31, 2017. The loss of \$199.7 million consisted of the difference between the carrying value of the debt repurchased (see-Liquidity and Capital Resources-Long-Term Debt) and the total cash amount paid (including related fees and expenses), together with write-offs of unamortized debt issuance costs and unamortized debt discount or premium, if applicable.

Other Income, Net

Other income, net was \$4.5 million for the year ended December 31, 2018, as compared to other income, net of \$10.1 million for the year ended December 31, 2017. The decrease of \$5.6 million was primarily driven by an \$8.1 million foreign exchange fluctuation mainly related to our business conducted in Brazilian *reais* and Euros, partially offset by an increase of \$2.0 million in other miscellaneous income not associated with our core operations.

Provision for Income Taxes

Our income tax expense increased by \$59 million to \$130.1 million for the year ended December 31, 2018, as compared to \$71.1 million for the year ended December 31, 2017. The increase was principally due to additional tax expense for our U.S. subsidiaries as a result of the reorganization of ownership of certain assets among our subsidiaries that was implemented in the three months ended September 30, 2018 (the "2018 Internal Reorganization").

Cash paid for income taxes, net of refunds, totaled \$57.1 million and \$33.7 million for the years ended December 31, 2018 and 2017, respectively.

Net Loss Attributable to Intelsat S.A.

Net loss attributable to Intelsat S.A was \$599.6 million for the year ended December 31, 2018, as compared to net loss attributable to Intelsat S.A. of \$178.7 million for the year ended December 31, 2017. The change reflects the various items discussed above.

Operating Results Years Ended December 31, 2016 and 2017

The following table sets forth our comparative statements of operations for the periods shown with the increase (decrease) and percentage changes, except those deemed not meaningful (“NM”), between the periods presented (in thousands, except percentages):

	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2016 Compared to Year Ended December 31, 2017	
			Increase (Decrease)	Percentage Change
Revenue	\$ 2,188,047	\$ 2,148,612	\$ (39,435)	(2)%
Operating expenses:				
Direct costs of revenue (excluding depreciation and amortization)	342,634	324,232	(18,402)	(5)%
Selling, general and administrative	232,537	205,475	(27,062)	(12)%
Depreciation and amortization	694,891	707,824	12,933	2 %
Total operating expenses	1,270,062	1,237,531	(32,531)	(3)%
Income from operations	917,985	911,081	(6,904)	(1)%
Interest expense, net	938,501	1,020,770	82,269	9 %
Gain (loss) on early extinguishment of debt	1,030,092	(4,109)	(1,034,201)	NM
Other income, net	522	10,114	9,592	NM
Income (loss) before income taxes	1,010,098	(103,684)	(1,113,782)	NM
Provision for income taxes	15,986	71,130	55,144	NM
Net income (loss)	994,112	(174,814)	(1,168,926)	NM
Net income attributable to noncontrolling interest	(3,915)	(3,914)	1	— %
Net income (loss) attributable to Intelsat S.A.	\$ 990,197	\$ (178,728)	\$ (1,168,925)	NM

Revenue

The following table sets forth our comparative revenue by service type, with Off-Network and Other Revenues shown separately from On-Network Revenues for the periods below (in thousands, except percentages):

	Year Ended December 31, 2016	Year Ended December 31, 2017	Increase (Decrease)	Percentage Change
On-Network Revenues				
Transponder services	\$ 1,561,108	\$ 1,543,384	\$ (17,724)	(1)%
Managed services	414,758	412,147	(2,611)	(1)
Channel	9,134	5,405	(3,729)	(41)
Total on-network revenues	1,985,000	1,960,936	(24,064)	(1)
Off-Network and Other Revenues				
Transponder, MSS and other off-network services	157,212	141,845	(15,367)	(10)
Satellite-related services	45,835	45,831	(4)	—
Total off-network and other revenues	203,047	187,676	(15,371)	(8)
Total	\$ 2,188,047	\$ 2,148,612	\$ (39,435)	(2)%

Total revenue for the year ended December 31, 2017 decreased by \$39.4 million, or 2%, as compared to the year ended December 31, 2016. By service type, our revenues decreased due to the following:

On-Network Revenues:

- *Transponder services*-an aggregate decrease of \$17.7 million, primarily due to a \$54.6 million decrease in revenue from network services customers, partially offset by a \$33.6 million increase in revenue from media customers and a \$3.3 million increase in revenue from government customers. The network services decline was mainly due to non-renewals and renewal pricing at lower rates for wide-beam enterprise and wireless infrastructure services. The network services decline also reflects non-renewals of point-to-point connectivity, which is shifting to fiber alternatives. The

increase in media revenue resulted primarily from the growth of DTH services in the Africa and Latin America and Caribbean regions, partially offset by declines in the North America, Europe and Middle East regions. The increase in government revenues is related to new revenues for mobility and other applications.

- *Managed services*-an aggregate decrease of \$2.6 million, primarily due to a decrease of \$13.9 million in revenue from network services customers largely for point-to-point trunking applications which are switching to fiber alternatives, a decrease of \$12.4 million in revenue from our government customers for managed services largely related to government trunking and managed network applications related to a previously disclosed termination of a maritime contract, and a \$4.1 million decrease in occasional use video services. These declines were partially offset by an increase of \$22.5 million in revenue from network services customers for broadband solutions largely related to maritime and aeronautical mobility applications and a \$6.6 million increase in managed video solutions in large part due to advanced payments forfeited and fees paid by a customer upon partial termination of services.
- *Channel*-an aggregate decrease of \$3.7 million related to a continued decline due to the migration of international point-to-point satellite traffic to fiber optic cable, a trend we expect will continue.

Off-Network and Other Revenues:

- *Transponder, MSS and other off-network services*-an aggregate decrease of \$15.4 million, primarily due to the previously disclosed termination of a maritime government contract, partially offset by increased revenue from services provided for a media customer on a third-party satellite.
- *Satellite-related services*-remained effectively unchanged from the prior year.

Operating Expenses

Direct Costs of Revenue (Excluding Depreciation and Amortization)

Direct costs of revenue decreased by \$18.4 million, or 5%, to \$324.2 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. The decrease was primarily due to the following:

- a decrease of \$22.2 million largely due to lower cost of sales for customer premises equipment and lower third-party costs for off-network services associated with our government business; and
- a decrease of \$7.6 million in staff-related expenses; partially offset by
- an increase of \$7.0 million due to increases in direct costs associated with capacity provided through an Intelsat payload on a third-party satellite.

Selling, General and Administrative

Selling, general and administrative expenses decreased by \$27.1 million, or 12%, to \$205.5 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. The decrease was primarily due to the following:

- a decrease of \$28.7 million in bad debt expense primarily related to two customers in the Latin America and Caribbean region; and
- a decrease of \$14.2 million in staff-related expenses; partially offset by
- an increase of \$19.0 million in professional fees primarily due to our liability management initiatives and costs associated with a proposed merger that was later terminated.

Depreciation and Amortization

Depreciation and amortization expense increased by \$12.9 million, or 2%, to \$707.8 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. Significant items impacting depreciation and amortization included:

- an increase of \$83.3 million in depreciation expense resulting from the impact of satellites placed in service; and
- an increase of \$8.2 million in depreciation expense resulting from the impact of certain ground segment assets placed in service; partially offset by
- a decrease of \$72.6 million in depreciation expense due to the timing of certain satellites becoming fully depreciated, and other satellite related expenses; and

- a decrease of \$6.2 million in amortization expense primarily due to changes in the pattern of consumption of amortizable intangible assets, as these assets primarily include acquired backlog, which relates to contracts covering varying periods that expire over time, and acquired customer relationships, for which the value diminishes over time.

Interest Expense, Net

Interest expense, net consists of gross interest expense we incur together with gains and losses on interest rate hedging transactions (which reflect the change in their fair value), offset by interest income earned and the amount of interest we capitalize related to assets under construction. As of December 31, 2017, we held interest rate caps with an aggregate notional amount of \$2.4 billion to mitigate the risk of interest rate increase on the floating-rate term loans under our senior secured credit facilities. The caps have not been designated as hedges for accounting purposes.

Interest expense, net increased by \$82.3 million, or 9%, to \$1.0 billion for the year ended December 31, 2017, as compared to the year ended December 31, 2016. The increase in interest expense, net was principally due to:

- a net increase of \$44.3 million in interest expense primarily driven by our new debt issuances with higher interest rates, partially offset by certain debt repurchases and exchanges in 2016 and 2017; and
- a net increase of \$35.3 million from lower capitalized interest, primarily resulting from decreased levels of satellites and related assets under construction.

The non-cash portion of total interest expense, net was \$48.7 million for the year ended December 31, 2017. The non-cash interest expense was due to the amortization of deferred financing fees and the amortization and accretion of discounts and premiums.

Gain (Loss) on Early Extinguishment of Debt

Loss on early extinguishment of debt was \$4.1 million for the year ended December 31, 2017, as compared to a gain of \$1.0 billion for the year ended December 31, 2016. The loss and gain were related to certain debt transactions that occurred during each of the respective years (see-Liquidity and Capital Resources-Long-Term Debt). The respective loss and gain consisted of the difference between the carrying value of the debt redeemed or exchanged and the fair value of the debt issued, if applicable, and total cash amount paid (including related fees and expenses), together with write-offs of unamortized debt issuance costs.

Other Income, Net

Other income, net was \$10.1 million for the year ended December 31, 2017, as compared to other income, net of \$0.5 million for the year ended December 31, 2016. The variance of \$9.6 million was primarily driven by a \$5.3 million foreign exchange fluctuation related to our business conducted in Brazilian *reais* and Euros, and a \$3.1 million increase in other miscellaneous income related to activities that are not associated with our core operations.

Provision for Income Taxes

Our income tax expense increased by \$55.1 million to \$71.1 million for the year ended December 31, 2017, as compared to \$16.0 million for the year ended December 31, 2016. The increase in expense was principally due to valuation allowances recorded on certain deferred tax assets partially offset by tax benefits related to the tax rate change for our U.S. subsidiaries as a result of the U.S. Tax Cuts and Jobs Act which was enacted on December 22, 2017

Cash paid for income taxes, net of refunds, totaled \$33.7 million and \$22.7 million for the years ended December 31, 2017 and 2016, respectively.

Net Income (Loss) Attributable to Intelsat S.A.

Net loss attributable to Intelsat S.A was \$178.7 million for the year ended December 31, 2017, as compared to net income attributable to Intelsat S.A. of \$990.2 million for the year ended December 31, 2016. The change reflects the various items discussed above.

EBITDA

EBITDA consists of earnings before net interest, loss (gain) on early extinguishment of debt, taxes and depreciation and amortization. Given our high level of leverage, refinancing activities are a frequent part of our efforts to manage our costs of borrowing. Accordingly, we consider loss (gain) on early extinguishment of debt an element of interest expense. EBITDA is a measure

commonly used in the FSS sector, and we present EBITDA to enhance the understanding of our operating performance. We use EBITDA as one criterion for evaluating our performance relative to that of our peers. We believe that EBITDA is an operating performance measure, and not a liquidity measure, that provides investors and analysts with a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. However, EBITDA is not a measure of financial performance under U.S. GAAP, and our EBITDA may not be comparable to similarly titled measures of other companies. EBITDA should not be considered as an alternative to operating income (loss) or net income (loss) determined in accordance with U.S. GAAP, as an indicator of our operating performance, or as an alternative to cash flows from operating activities determined in accordance with U.S. GAAP, as an indicator of cash flows, or as a measure of liquidity.

A reconciliation of net income (loss) to EBITDA for the periods shown is as follows (in thousands):

	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018
Net income (loss)	\$ 994,112	\$ (174,814)	\$ (595,690)
Add (Subtract):			
Interest expense, net ⁽¹⁾	938,501	1,020,770	1,212,374
Loss (gain) on early extinguishment of debt	(1,030,092)	4,109	199,658
Provision for income taxes ⁽²⁾	15,986	71,130	130,069
Depreciation and amortization	694,891	707,824	687,589
EBITDA	1,613,398	1,629,019	1,634,000
Effect of ASC 606 adoption ⁽³⁾	—	—	(103,447)
EBITDA excluding ASC 606 adoption effect	\$ 1,613,398	\$ 1,629,019	\$ 1,530,553

- (1) Interest expense, net for the twelve months ended December 31, 2018 includes \$116,190 related to the significant financing component identified in customer contracts in accordance with ASC 606.
- (2) Includes a provision of \$43,349 for the twelve months ended December 31, 2018 related to the adoption of ASC 606 and implementation of the 2018 Internal Reorganization.
- (3) Includes \$103,207 of revenue relating to the significant financing, multi-product, and contract modification components identified in customer contracts for the twelve months ended December 31, 2018, operating expense adjustments of \$1,028 for the twelve months ended December 31, 2018, and adjustments of \$788 to other income, net for the twelve months ended December 31, 2018, in accordance with the adoption of ASC 606.

Adjusted EBITDA

In addition to EBITDA, we calculate a measure called Adjusted EBITDA to assess the operating performance of Intelsat S.A. Adjusted EBITDA consists of EBITDA of Intelsat S.A. as adjusted to exclude or include certain unusual items, certain other operating expense items and certain other adjustments as described in the table and related footnotes below. Our management believes that the presentation of Adjusted EBITDA provides useful information to investors, lenders and financial analysts regarding our financial condition and results of operations because it permits clearer comparability of our operating performance between periods. By excluding the potential volatility related to the timing and extent of non-operating activities, such as impairments of asset value and other non-recurring items, our management believes that Adjusted EBITDA provides a useful means of evaluating the success of our operating activities. We also use Adjusted EBITDA, together with other appropriate metrics, to set goals for and measure the operating performance of our business, and it is one of the principal measures we use to evaluate our management's performance in determining compensation under our incentive compensation plans. Adjusted EBITDA measures have been used historically by investors, lenders and financial analysts to estimate the value of a company, to make informed investment decisions and to evaluate performance. Our management believes that the inclusion of Adjusted EBITDA facilitates comparison of our results with those of companies having different capital structures.

Adjusted EBITDA is not a measure of financial performance under U.S. GAAP and may not be comparable to similarly titled measures of other companies. Adjusted EBITDA should not be considered as an alternative to operating income (loss) or net income (loss) determined in accordance with U.S. GAAP, as an indicator of our operating performance, as an alternative to cash flows from operating activities determined in accordance with U.S. GAAP, as an indicator of cash flows, or as a measure of liquidity.

A reconciliation of net income (loss) to EBITDA and EBITDA to Adjusted EBITDA is as follows (in thousands):

	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018
Net income (loss)	\$ 994,112	\$ (174,814)	\$ (595,690)
Add (Subtract):			
Interest expense, net ⁽¹⁾	938,501	1,020,770	1,212,374
Loss (gain) on early extinguishment of debt	(1,030,092)	4,109	199,658
Provision for income taxes ⁽²⁾	15,986	71,130	130,069
Depreciation and amortization	694,891	707,824	687,589
EBITDA	1,613,398	1,629,019	1,634,000
Add:			
Compensation and benefits ⁽³⁾	23,222	15,995	6,824
Non-recurring and other non-cash items ⁽⁴⁾	14,050	19,589	27,646
Adjusted EBITDA	1,650,670	1,664,603	1,668,470
Effect of ASC 606 adoption ⁽⁵⁾	—	—	(103,447)
Adjusted EBITDA excluding ASC 606 adoption effect	\$ 1,650,670	\$ 1,664,603	\$ 1,565,023

- (1) Interest expense, net for the twelve months ended December 31, 2018 includes \$116,190 related to the significant financing component identified in customer contracts in accordance with ASC 606.
- (2) Includes a provision of \$43,349 for the twelve months ended December 31, 2018 related to the adoption of ASC 606 and implementation of the 2018 Internal Reorganization.
- (3) Reflects non-cash expenses incurred relating to our equity compensation plans.
- (4) Reflects certain non-recurring gains and losses and non-cash items, including the following: professional fees related to our liability and tax management initiatives; costs associated with our C-band spectrum solution proposal; severance, retention and relocation payments; and other various non-recurring expenses. These costs were partially offset by non-cash income related to the recognition of deferred revenue on a straight-line basis for certain prepaid capacity service contracts.
- (5) Includes \$103,207 of revenue relating to the significant financing, multi-product, and contract modification components identified in customer contracts for the twelve months ended December 31, 2018, operating expense adjustments of \$1,028 for the twelve months ended December 31, 2018, and adjustments of \$788 to other income, net for the twelve months ended December 31, 2018, in accordance with the adoption of ASC 606.

B. Liquidity and Capital Resources

Overview

We are a highly leveraged company and our contractual obligations, commitments and debt service requirements over the next several years are significant. At December 31, 2018, the aggregate principal amount of our debt outstanding not held by affiliates was \$14.0 billion. Our interest expense, net for the year ended December 31, 2018 was \$1.2 billion, which included \$48.5 million of non-cash interest expense. We also expect to make significant capital expenditures in 2019 and future years, as set forth below in—Capital Expenditures. Our primary source of liquidity is and will continue to be cash generated from operations, as well as existing cash. At December 31, 2018, cash and cash equivalents were approximately \$485.1 million. In addition, \$22.0 million of restricted cash was included within current assets on the consolidated balance sheet as compensating balances against certain letters of credit outstanding. We currently expect to use cash on hand, cash flows from operations and refinancing of our third party debt to fund our most significant cash outlays, including debt service requirements and capital expenditures, in the next twelve months and beyond, and expect such sources to be sufficient to fund our requirements over that time and beyond. In past years, our cash flows from operations and cash on hand have been sufficient to fund interest obligations (\$915.6 million and \$1.1 billion in 2017 and 2018, respectively) and significant capital expenditures (\$461.6 million and \$255.7 million in 2017 and 2018, respectively). Our total capital expenditures are expected to range from \$250 million to \$300 million in 2019, \$275 million to \$350 million in 2020, and \$250 million to \$350 million in 2021. However, an inability to generate sufficient cash flow to satisfy our debt service obligations or to refinance our obligations on commercially reasonable terms would have an adverse effect on our business, financial position, results of operations and cash flows, as well as on our and our subsidiaries' ability to satisfy their obligations in respect of their respective debt. See Item 3D—Risk Factors—Risk Factors Relating to Our Business—We have a substantial amount of indebtedness, which may adversely affect our cash flow and our ability to operate our business, remain in compliance with debt covenants, and make payments on our indebtedness. We also continually evaluate ways to simplify our capital structure and opportunistically extend our

maturities and reduce our costs of debt. In addition, we may from time to time retain any future earnings and cash to repurchase, repay, redeem or retire any of our outstanding debt securities in privately negotiated or open market transactions, by tender offer or otherwise.

Cash Flow Items

Our cash flows consisted of the following for the periods shown (in thousands):

	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018
Net cash provided by operating activities	\$ 678,755	\$ 464,246	\$ 344,173
Net cash used in investing activities	(730,589)	(468,297)	(283,634)
Net cash provided by (used) in financing activities	546,347	(121,698)	(90,323)
Net change in cash, cash equivalents and restricted cash	494,483	(124,633)	(34,234)

Net Cash Provided by Operating Activities

Net cash provided by operating activities decreased by \$120.1 million to \$344.2 million for the year ended December 31, 2018 as compared to the year ended December 31, 2017. The decrease was due to a \$221.8 million decrease in net income and changes in non-cash items offset by a \$101.7 million increase from changes in operating assets and liabilities. The primary drivers of the increase in operating assets and liabilities were higher inflows from deferred revenue and contract liabilities and lower outflows related to the payment of accounts payable, partially offset by higher outflows related to the amount and timing of interest payments and lower inflows from customer receivables.

Net Cash Used in Investing Activities

Net cash used in investing activities decreased by \$184.7 million to \$283.6 million during the year ended December 31, 2018 as compared to the year ended December 31, 2017. The decrease was primarily due to lower capital expenditures, partially offset by lower insurance proceeds received related to Intelsat 33e and increased capital contributions to a joint venture.

Net Cash Used in Financing Activities

Net cash used in financing activities decreased by \$31.4 million to \$90.3 million during the year ended December 31, 2018 as compared to the year ended December 31, 2017. The decrease was primarily due to \$224.3 million net proceeds from our common shares offering (see - *Long-Term Debt* below), \$35.4 million in other payments for satellites in 2017 with no comparable amounts in 2018, and a decrease of \$11.7 million in principal payments on deferred satellite performance incentives, partially offset by an increase of \$242.6 million in net cash paid in connection with our refinancing activities in 2018 (see - *Long-Term Debt* below).

Restricted Cash

As of December 31, 2018, \$22.0 million of cash was legally restricted, being held as a compensating balance for certain outstanding letters of credit.

Long-Term Debt

This section describes the changes to our long-term debt during the years ended December 31, 2017 and 2018. For detail regarding our outstanding long-term indebtedness as of December 31, 2018, see Note 12 to our consolidated financial statements included elsewhere in this Annual Report.

Senior Secured Credit Facilities

Intelsat Jackson Senior Secured Credit Agreement

On January 12, 2011, Intelsat Jackson entered into a secured credit agreement (the "Intelsat Jackson Secured Credit Agreement"), which included a \$3.25 billion term loan facility and a \$500.0 million revolving credit facility, and borrowed the full \$3.25 billion under the term loan facility. The term loan facility required regularly scheduled quarterly payments of

principal equal to 0.25% of the original principal amount of the term loan beginning six months after January 12, 2011, with the remaining unpaid amount due and payable at maturity.

On October 3, 2012, Intelsat Jackson entered into an Amendment and Joinder Agreement (the “Jackson Credit Agreement Amendment”), which amended the Intelsat Jackson Secured Credit Agreement. As a result of the Jackson Credit Agreement Amendment, interest rates for borrowings under the term loan facility and the revolving credit facility were reduced. In April 2013, our corporate family rating was upgraded by Moody’s, and as a result, the interest rate for the borrowing under the term loan facility and revolving credit facility were further reduced to LIBOR plus 3.00% or the Above Bank Rate (“ABR”) plus 2.00%.

On November 27, 2013, Intelsat Jackson entered into a Second Amendment and Joinder Agreement (the “Second Jackson Credit Agreement Amendment”), which further amended the Intelsat Jackson Secured Credit Agreement. The Second Jackson Credit Agreement Amendment reduced interest rates for borrowings under the term loan facility and extended the maturity of the term loan facility. In addition, it reduced the interest rate applicable to \$450 million of the \$500 million total revolving credit facility and extended the maturity of such portion. As a result of the Second Jackson Credit Agreement Amendment, interest rates for borrowings under the term loan facility and the new tranche of the revolving credit facility were (i) LIBOR plus 2.75%, or (ii) the ABR plus 1.75%. The LIBOR and the ABR, plus applicable margins, related to the term loan facility and the new tranche of the revolving credit facility were determined as specified in the Intelsat Jackson Secured Credit Agreement, as amended by the Second Jackson Credit Agreement Amendment, and the LIBOR was not to be less than 1.00% per annum. The maturity date of the term loan facility was extended from April 2, 2018 to June 30, 2019 and the maturity of the new \$450 million tranche of the revolving credit facility was extended from January 12, 2016 to July 12, 2017. The interest rates and maturity date applicable to the \$50 million tranche of the revolving credit facility that was not amended did not change. The Second Jackson Credit Agreement Amendment further removed the requirement for regularly scheduled quarterly principal payments under the term loan facility.

In June 2017, Intelsat Jackson terminated all remaining commitments under its revolving credit facility.

On November 27, 2017, Intelsat Jackson entered into a Third Amendment and Joinder Agreement (the “Third Jackson Credit Agreement Amendment”), which further amended the Intelsat Jackson Secured Credit Agreement. The Third Jackson Credit Agreement Amendment extended the maturity date of \$2.0 billion of the existing floating rate B-2 Tranche of term loans (the “B-3 Tranche Term Loans”), to November 27, 2023, subject to springing maturity in the event that certain series of Intelsat Jackson’s senior notes are not refinanced prior to the dates specified in the Third Jackson Credit Agreement Amendment. The B-3 Tranche Term Loans have an applicable interest rate margin of 3.75% for LIBOR loans and 2.75% for base rate loans (at Intelsat Jackson’s election as applicable).

The B-3 Tranche Term Loans were subject to a prepayment premium of 1.00% of the principal amount for any voluntary prepayment of, or amendment or modification in respect of, the B-3 Tranche Term Loans prior to November 27, 2018 in connection with prepayments, amendments or modifications that have the effect of reducing the applicable interest rate margin on the B-3 Tranche Term Loans, subject to certain exceptions. The Third Jackson Credit Agreement Amendment also (i) added a provision requiring that, beginning with the fiscal year ending December 31, 2018, Intelsat Jackson to apply a certain percentage of its Excess Cash Flow (as defined in the Third Jackson Credit Agreement Amendment), if any, after operational needs for each fiscal year towards the repayment of outstanding term loans, subject to certain deductions, (ii) amended the most-favored nation provision with respect to the incurrence of certain indebtedness by Intelsat Jackson and its restricted subsidiaries, and (iii) amended the covenant limiting the ability of Intelsat Jackson to make certain dividends, distributions and other restricted payments to its shareholders based on its leverage level at that time.

On December 12, 2017, Intelsat Jackson further amended the Intelsat Jackson Secured Credit Agreement by entering into a Fourth Amendment and Joinder Agreement (the “Fourth Jackson Credit Agreement Amendment”), which, among other things, (i) permitted Intelsat Jackson to establish one or more series of additional incremental term loan tranches if the proceeds thereof are used to refinance an existing tranche of term loans, and (ii) added a most-favored nation provision applicable to the B-3 Tranche Term Loans for further extensions of the existing floating rate B-2 Tranche Term Loans under certain circumstances.

On January 2, 2018, Intelsat Jackson entered into a Fifth Amendment and Joinder Agreement (the “Fifth Jackson Credit Agreement Amendment”), which further amended the Intelsat Jackson Secured Credit Agreement. The Fifth Jackson Credit Agreement Amendment refinanced the remaining \$1.095 billion B-2 Tranche Term Loans, through the creation of (i) a new incremental floating rate tranche of term loans with a principal amount of \$395.0 million (the “B-4 Tranche Term Loans”), and (ii) a new incremental fixed rate tranche of term loans with a principal amount of \$700.0 million (the “B-5 Tranche Term Loans”). The maturity date of both the B-4 Tranche Term Loans and the B-5 Tranche Term Loans is January 2, 2024, subject to

springing maturity in the event that certain series of Intelsat Jackson's senior notes are not refinanced or repaid prior to the dates specified in the Fifth Jackson Credit Agreement Amendment. The B-4 Tranche Term Loans have an applicable interest rate margin of 4.50% per annum for LIBOR loans and 3.50% per annum for base rate loans (at Intelsat Jackson's election as applicable). We entered into interest rate cap contracts in December 2017 and amended them in May 2018 to mitigate the risk of interest rate increases on the B-4 Tranche Term Loans. The B-5 Tranche Term Loans have an interest rate of 6.625% per annum. The Fifth Jackson Credit Agreement Amendment also specified make-whole and prepayment premiums applicable to the B-4 Tranche Term Loans and the B-5 Tranche Term Loans at various dates.

Intelsat Jackson's obligations under the Intelsat Jackson Secured Credit Agreement are guaranteed by ICF and certain of Intelsat Jackson's subsidiaries. Intelsat Jackson's obligations under the Intelsat Jackson Secured Credit Agreement are secured by a first priority security interest in substantially all of the assets of Intelsat Jackson and the guarantors party thereto, to the extent legally permissible and subject to certain agreed exceptions, and by a pledge of the equity interests of the subsidiary guarantors and the direct subsidiaries of each guarantor, subject to certain exceptions, including exceptions for equity interests in certain non-U.S. subsidiaries, existing contractual prohibitions and prohibitions under other legal requirements.

The Intelsat Jackson Secured Credit Agreement following a further amendment in November 2018 includes one financial covenant: Intelsat Jackson must maintain a consolidated secured debt to consolidated EBITDA ratio equal to or less than 3.50 to 1.00 at the end of each fiscal quarter as such financial measure is defined in the Intelsat Jackson Secured Credit Agreement. Intelsat Jackson was in compliance with this financial maintenance covenant ratio with a consolidated secured debt to consolidated EBITDA ratio of 2.94 to 1.00 as of December 31, 2018.

2018 Debt and Other Capital Markets Transactions

March/May 2018 ICF Tender Offer for Intelsat Luxembourg Notes and Redemption

In March 2018, ICF commenced a cash tender offer to purchase any and all of the outstanding aggregate principal amount of the 6.75% Senior Notes due 2018 (the "2018 Luxembourg Notes"). ICF purchased a total of \$31.2 million aggregate principal amount of the 2018 Luxembourg Notes at par value in March 2018 and April 2018. In May 2018, pursuant to a previously issued notice of redemption, Intelsat Luxembourg redeemed \$46.0 million aggregate principal amount of the 2018 Luxembourg Notes at par value together with accrued and unpaid interest thereon.

June 2018 Intelsat S.A. Senior Convertible Notes Offering and Common Shares Offering

In June 2018, we completed an offering of 15,498,652 Intelsat S.A. common shares, nominal value \$0.01 per share (the "Common Shares"), at a public offering price of \$14.84 per common share, and we completed an offering of \$402.5 million aggregate principal amount of our 4.5% Convertible Senior Notes due 2025 (the "2025 Convertible Notes"). These notes are guaranteed by Intelsat Envision. The net proceeds from the Common Shares offering and 2025 Convertible Notes offering were used to repurchase approximately \$600 million aggregate principal amount of Intelsat Luxembourg's 7.75% Senior Notes due 2021 (the "2021 Luxembourg Notes") in privately negotiated transactions with individual holders in June 2018. We used the remaining net proceeds of the Common Shares offering and 2025 Convertible Notes offering for further repurchases of 2021 Luxembourg Notes and for other general corporate purposes, including repurchases of other tranches of debt of Intelsat S.A.'s subsidiaries.

August 2018 Intelsat Connect Senior Notes Refinancing and Exchange of Intelsat Luxembourg Senior Notes

In August 2018, Intelsat Connect completed an offering of \$1.25 billion aggregate principal amount of 9.5% Senior Notes due 2023 (the "2023 ICF Notes"). These notes are guaranteed by Intelsat Envision and Intelsat Luxembourg. Intelsat Connect used the net proceeds from the offering to repurchase or redeem all \$731.9 million outstanding aggregate principal amount of Intelsat Connect 12.5% Senior Notes due 2022 (the "2022 ICF Notes"). The remaining net proceeds from the offering were used to repurchase approximately \$448.9 million aggregate principal amount of Intelsat Jackson's 7.25% Senior Notes due 2020 (the "2020 Jackson Notes") and \$30.0 million aggregate principal amount of other unsecured notes of Intelsat Jackson, and to pay related fees and expenses. Also in August 2018, Intelsat Connect and Intelsat Envision completed debt exchanges receiving new notes issued by Intelsat Luxembourg, which mature in August 2026 and have an interest rate of 13.5%, in exchange for \$1.58 billion aggregate principal amount of 2021 Luxembourg Notes that were previously held by Intelsat Connect and Intelsat Envision.

September 2018 Intelsat Jackson Senior Notes Offering and Tender Offer

In September 2018, Intelsat Jackson completed an offering of \$2.25 billion aggregate principal amount of 8.5% Senior Notes due 2024 (the "2024 Jackson Senior Unsecured Notes"). The notes are guaranteed by all of Intelsat Jackson's subsidiaries that guarantee its obligations under the Intelsat Jackson Secured Credit Agreement, as well as by certain of Intelsat Jackson's parent entities. Intelsat Jackson used the net proceeds from the offering to repurchase through a tender offer and redeem approximately \$1.75 billion aggregate principal amount of the remaining outstanding 2020 Jackson Notes. The remaining net proceeds from the 2024 Jackson Senior Unsecured Notes offering were used to repurchase and redeem approximately \$441.3 million aggregate principal amount of Intelsat Jackson's 7.5% Senior Notes due 2021 (the "2021 Jackson Notes") in September 2018 and October 2018, and to pay related fees and expenses.

October 2018 Intelsat Jackson Senior Notes Add-On Offering and Redemption of 2021 Jackson Notes

In October 2018, Intelsat Jackson completed an add-on offering of \$700 million aggregate principal amount of its 2024 Jackson Senior Unsecured Notes. The net proceeds from the add-on offering, together with cash on hand, were used to repurchase and redeem all the remaining approximately \$708.7 million aggregate principal amount of outstanding 2021 Jackson Notes in October 2018 that were not earlier repurchased or redeemed, and to pay related fees and expenses.

2017 Debt Transactions

January 2017 Intelsat Luxembourg Exchange Offer

In January 2017, Intelsat Luxembourg completed a debt exchange (the "Second 2018 Luxembourg Exchange"), whereby it exchanged \$403.3 million aggregate principal amount of its 2018 Luxembourg Notes for an equal aggregate principal amount of newly issued unsecured 12.50% Senior Notes due 2024 (the "2024 Luxembourg Notes"). The Second 2018 Luxembourg Exchange consisted of \$377.6 million aggregate principal amount of 2018 Luxembourg Notes held by ICF as a result of the First 2018 Luxembourg Exchange (as defined and described below), together with \$25 million aggregate principal amount of 2018 Luxembourg Notes repurchased by us in the fourth quarter of 2015. We consolidate ICF, the holder of the 2018 Luxembourg Notes exchanged in the Second 2018 Luxembourg Exchange.

July 2017 Intelsat Jackson Senior Notes Refinancing

On July 5, 2017, Intelsat Jackson completed an offering of \$1.5 billion aggregate principal amount of 9.75% Senior Notes due 2025 (the "2025 Jackson Notes"). These notes are guaranteed by all of Intelsat Jackson's subsidiaries that guarantee its obligations under the Intelsat Jackson Secured Credit Agreement and senior notes, as well as by certain of Intelsat Jackson's parent entities. Also on July 5, 2017, the net proceeds from the sale of the 2025 Jackson Notes were used, along with other available cash, to satisfy and discharge all \$1.5 billion aggregate principal amount of Intelsat Jackson's 7.25% Senior Notes due 2019. In connection with the satisfaction and discharge, we recognized a loss on early extinguishment of debt of \$4.6 million, consisting of the difference between the carrying value of the debt redeemed and the total cash amount paid (including related fees and expenses), together with a write-off of unamortized debt issuance costs.

November & December 2017 and January 2018 Amendments to Intelsat Jackson Senior Secured Credit Facilities

In November and December 2017, and January 2018, Intelsat Jackson entered into amendments to the Intelsat Jackson Secured Credit Agreement. See—Description of Indebtedness—*Intelsat Jackson—Intelsat Jackson Senior Secured Credit Agreement*, above.

Satellite Performance Incentives

Our cost of satellite construction includes an element of deferred consideration to satellite manufacturers referred to as satellite performance incentives. We are contractually obligated to make these payments over the lives of the satellites, provided the satellites continue to operate in accordance with contractual specifications. We capitalize the present value of these payments as part of the cost of the satellites and record a corresponding liability to the satellite manufacturers. This asset is amortized over the useful lives of the satellites, interest expense is recognized on the deferred financing and the liability is reduced as the payments are made. Our total satellite performance incentive payment liability as of December 31, 2017 and 2018 was \$241.1 million and \$245.6 million, respectively.

Capital Expenditures

Our capital expenditures depend on our business strategies and reflect our commercial responses to opportunities and trends in our industry. Our actual capital expenditures may differ from our expected capital expenditures if, among other things, we enter into any currently unplanned strategic transactions. Levels of capital spending from one year to the next are also

influenced by the nature of the satellite life cycle and by the capital-intensive nature of the satellite industry. For example, we incur significant capital expenditures during the years in which satellites are under construction. We typically procure a new satellite within a timeframe that would allow the satellite to be deployed at least one year prior to the end of the service life of the satellite to be replaced. As a result, we frequently experience significant variances in our capital expenditures from year to year. The following table compares our satellite-related capital expenditures to total capital expenditures from 2014 through 2018 (in thousands).

Year	Satellite-Related Capital Expenditures	Total Capital Expenditures
2014	\$ 566,716	\$ 645,424
2015	657,656	724,362
2016	629,346	714,570
2017	355,675	461,627
2018	165,143	255,696
Total	\$ 2,374,536	\$ 2,801,679

Capital expenditure guidance for 2019 through 2021 (the “Guidance Period”) assumes investment in five satellites, two of which are in the design and manufacturing phase. Of the remaining three satellites, no manufacturing contracts have yet been signed.

Payments for satellites and other property and equipment for the year ended December 31, 2018 were \$255.7 million. We intend to fund our capital expenditure requirements through cash on hand and cash provided from operating activities.

Currency and Exchange Rates

Substantially all of our customer contracts, capital expenditure contracts and operating expense obligations are denominated in U.S. dollars. Consequently, we are not exposed to material foreign currency exchange risk. However, the service contracts with our Brazilian customers provide for payment in Brazilian *reais*. Accordingly, we are subject to the risk of a reduction in the value of the Brazilian *real* as compared to the U.S. dollar in connection with payments made by Brazilian customers, and our exposure to fluctuations in the exchange rate for Brazilian *reais* is ongoing. However, the rates payable under our service contracts with Brazilian customers are adjusted annually to account for inflation in Brazil, thereby mitigating the risk. For the years ended December 31, 2016, 2017 and 2018, our Brazilian customers represented approximately 3.7%, 4.0% and 3.3% of our revenue, respectively. Transactions in other currencies are converted into U.S. dollars using exchange rates in effect on the dates of the transactions.

We recorded foreign currency exchange gains of \$3.3 million and \$0.9 million and losses of \$6.7 million for the years ended December 31, 2016, 2017 and 2018, respectively. The gains and losses for each year were primarily attributable to the conversion of our Brazilian *reais* receivables and cash balances held in Brazil, and were net of other working capital account balances translated into U.S. dollars at the exchange rates in effect on the last day of the applicable year or, with respect to exchange transactions effected during the year, at the time the exchange transactions occurred.

C. Research and Development, Patents and Licenses

During the year ended December 31, 2018, we incurred expenses of \$1.2 million for development activities. Further, Intelsat personnel regularly engage in activities that are intended to result in new or improved functions, performance, or quality related to our network, teleports and satellites.

D. Trend Information

Other than as disclosed elsewhere in this Annual Report, we are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on our revenues, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial conditions. See Item 5—Operating and Financial Review and Prospects for further discussion.

E. Off-Balance Sheet Arrangements

We have a revenue sharing agreement with JSAT International, Inc. (“JSAT”) related to services sold on the Horizons Holdings satellites. We are responsible for billing and collection for such services and we remit 50% of the revenue, less applicable fees and commissions, to JSAT. Refer to Note 10—Investments for disclosures relating to the revenue sharing agreement with JSAT.

F. Tabular Disclosure of Contractual Obligations

The following table sets forth our contractual obligations and capital and certain other commitments as of December 31, 2018, and the expected year of payments (in thousands):

Contractual Obligations (1)	Payments due by year							Other	Total
	2019	2020	2021	2022	2023	2024 and thereafter			
<i>Long-Term debt obligations</i>									
Intelsat S.A. and subsidiary notes and credit facilities—principal payments	\$ —	\$ —	\$ 421,219	\$ 490,000	\$ 6,123,337	\$ 7,282,283	\$ —	\$ —	\$ 14,316,839
Intelsat S.A. and subsidiary notes and credit facilities—interest payments (2)	1,106,021	1,087,911	1,090,157	1,077,549	884,871	641,556	—	—	5,888,065
Operating lease obligations	20,065	18,730	14,832	13,979	13,600	80,216	—	—	161,422
Sublease rental income	(826)	(745)	(535)	(372)	(78)	(150)	—	—	(2,706)
Horizons-3 Satellite LLC Capital Contributions (3)	4,500	11,700	13,300	15,700	15,300	43,600	—	—	104,100
Purchase obligations (4)	414,452	254,106	163,548	38,353	35,813	89,420	—	—	995,692
Other long-term liabilities (including interest) (5)	59,783	50,021	49,220	38,503	27,053	131,136	—	—	355,716
Income tax contingencies (6)	—	—	—	—	—	—	—	29,144	29,144
Total contractual obligations	\$ 1,603,995	\$ 1,421,723	\$ 1,751,741	\$ 1,673,712	\$ 7,099,896	\$ 8,268,061	\$ 29,144	\$ —	\$ 21,848,272

- Obligations related to our pension and postretirement medical benefit obligations are excluded from the table. We maintain a noncontributory defined benefit retirement plan covering substantially all of our employees hired prior to July 19, 2001. We expect that our future contributions to the defined benefit retirement plan will be based on the minimum funding requirements of the Internal Revenue Code and on the plan’s funded status. The impact on the funded status is determined based upon market conditions in effect when we completed our annual valuation. In the first quarter of 2015, we amended the defined benefit retirement plan to cease the accrual of additional benefits for the remaining active participants effective March 31, 2015. We anticipate that our contributions to the defined benefit retirement plan in 2019 will be approximately \$5.1 million. We fund the postretirement medical benefits throughout the year based on benefits paid. We anticipate that our contributions to fund postretirement medical benefits in 2019 will be approximately \$3.1 million. See Note 7—Retirement Plans and Other Retiree Benefits to our consolidated financial statements included elsewhere in this Annual Report.
- Represents estimated interest payments to be made on our fixed and variable rate debt. Interest payments for variable rate debt and incentive obligations have been estimated based on the current interest rates.
- See Note 10(b)—Investments—Horizons-3 Satellite LLC.
- Includes satellite construction and launch contracts, estimated payments to be made on performance incentive obligations related to certain satellites that are currently under construction, vendor contracts and customer commitments.
- Represents satellite performance incentive obligations related to satellites that are in service (and interest thereon).
- The timing of future cash flows from income tax contingencies cannot be reasonably estimated and therefore is reflected in the other column. See Note 14—Income Taxes to our consolidated financial statements included elsewhere in this Annual Report for further discussion of income tax contingencies.

Satellite Construction and Launch Obligations

As of December 31, 2018, we had approximately \$694.4 million of expenditures remaining under our existing satellite construction contracts and satellite launch contracts. Satellite launch and in-orbit insurance contracts related to future satellites to be launched are cancelable up to thirty days prior to the satellite’s launch. As of December 31, 2018, we did not have any non-cancelable commitments related to existing launch insurance or in-orbit insurance contracts for satellites to be launched.

See Item 4B—Business Overview—Our Network—Satellite Systems—Planned Satellites for details relating to certain of our satellite construction and launch contracts.

Operating Leases

We have commitments for operating leases primarily relating to equipment and office facilities. These leases contain escalation provisions for increases. As of December 31, 2018, minimum annual rentals of all leases (net of sublease income on leased facilities), totaled approximately \$158.7 million, exclusive of potential increases in real estate taxes, operating assessments and future sublease income.

Customer and Vendor Contracts

We have contracts with certain of our customers which require us to provide equipment, services and other support during the term of the related contracts. We also have long-term contractual obligations with service providers primarily related to the operation of certain of our satellites. As of December 31, 2018, we had commitments under these customer and vendor contracts which totaled approximately \$301.3 million related to the provision of equipment, services and other support.

G. Safe Harbor

See the section entitled “Forward-Looking Statements” at the beginning of this Annual Report.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

Our current executive officers and directors are as follows:

Name	Age	Position
David McGlade	58	Director and Non-Executive Chairman, Intelsat S.A.
Stephen Spengler	59	Director and Chief Executive Officer, Intelsat S.A.
Michelle Bryan	62	Executive Vice President, General Counsel, Chief Administrative Officer and Secretary, Intelsat S.A.
Michael DeMarco	48	Executive Vice President, Operations, Intelsat US LLC
Samer Halawi	48	Executive Vice President & Chief Commercial Officer, Intelsat US LLC
Jacques Kerrest	72	Executive Vice President & Chief Financial Officer, Intelsat S.A.
Justin Bateman	45	Director, Intelsat S.A.
Robert Callahan	67	Director, Intelsat S.A.
John Diercksen	69	Director, Intelsat S.A.
Edward A. Kangas	74	Director, Intelsat S.A.
Raymond Svider	56	Director, Intelsat S.A.

The following is a brief biography of each of our executive officers and directors:

Mr. McGlade has been the Chairman of the board of directors of Intelsat S.A. since April of 2015, and prior to that served as Deputy Chairman of the Company and its predecessor from August 2008 to April 2015. In addition, Mr. McGlade served as the Chief Executive Officer of Intelsat S.A. and its predecessor from April 2005 to March 2015. Before joining Intelsat, Mr. McGlade was the Chief Executive Officer of O2 UK, the largest subsidiary of O2 plc and a leading U.K. cellular telephone company, a position he took in October 2000. He was also an Executive Director of O2 plc. During his tenure at O2 UK and O2 plc, Mr. McGlade was a director of the GSM Association, a trade association for GSM mobile operators, and served as Chairman of its Finance Committee from February 2004 to February 2005. He was also a director of Tesco Mobile from September 2003 to March 2005 and a director of The Link, a distributor of mobile phones and other high technology consumer merchandise, from December 2000 to May 2004. Mr. McGlade is currently a director of Skyworks Solutions, Inc., an innovator of high performance analog semiconductors, and is currently the first vice chairman of the board of the EMEA Satellite Operators Association (ESOA), a trade organization that serves and promotes the common interests of EMEA satellite operators. Mr. McGlade holds a Bachelor of Arts degree from Rutgers University. Mr. McGlade’s business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. Spengler became the Chief Executive Officer of Intelsat S.A. on April 1, 2015, and became a director of Intelsat S.A. in October 2015. Prior to April 2015, Mr. Spengler served as Deputy Chief Executive Officer of Intelsat S.A. from December 2014, and prior to that he served as President and Chief Commercial Officer of Intelsat US LLC (f/k/a Intelsat Corporation) from March 2013 to December 2014. Mr. Spengler also served as Executive Vice President, Sales, Marketing and Strategy of

Intelsat US LLC from February 2008 to March 2013. Before joining Intelsat in 2003, Mr. Spengler held various positions in the telecommunications industry, including Senior Vice President of Global Sales, Broadband Access Networks at Cironet, Inc., Vice President of Sales and Marketing at ViaSat Satellite Networks, Regional Sales Director for Satellite Networks in Europe, the Middle East and Africa for Scientific-Atlanta Europe based in London, and sales and marketing positions at GTE Spacenet and GTE Corporation. Mr. Spengler received his Bachelor of Arts degree from Dickinson College in Carlisle, Pennsylvania, and his Masters of Business Administration from Boston University in Massachusetts. Mr. Spengler's business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Ms. Bryan became the Executive Vice President, General Counsel and Chief Administrative Officer and Secretary of Intelsat S.A. in March 2013. Prior to that, Ms. Bryan served as Senior Vice President, Human Resources and Corporate Services of Intelsat US LLC since January 2007. Prior to joining Intelsat, Ms. Bryan served as General Counsel and Corporate Secretary for Laidlaw International, and prior to that held a number of executive positions with US Airways Group, Inc. including Executive Vice President, Corporate Affairs and General Counsel and Corporate Secretary, as well as Senior Vice President of Human Resources. Ms. Bryan earned a Bachelor of Arts degree from the University of Rochester and a Juris Doctor from Georgetown University. Ms. Bryan's business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. DeMarco became the Executive Vice President, Operations of Intelsat US LLC in August 2017. Prior to that, Mr. DeMarco served as Senior Vice President, Operations since April 2015, and prior to that as Senior Vice President, Product and Asset Management, with responsibility for product management, marketing, customer solutions engineering and asset management functions. From 2006 to 2009 he served as Intelsat US LLC's Vice President of Media Services and has held roles of increasing responsibility within the Company, serving as Vice President of Core Video Services, Senior Director of Business Operations, and Director of Product Finance at PanAmSat prior to its 2006 merger with Intelsat. Since November 2017, he has also served as director of Dejero Labs, Inc., a provider of connectivity required for cloud computing, online collaborations, and the secure exchange of video and data. Mr. DeMarco earned a Bachelor of Science Degree in Finance and a Masters of Business Administration from Fairfield University in Connecticut. Mr. DeMarco's business address is 7900 Tysons One Place, McLean, VA 22102, United States.

Mr. Halawi became the Executive Vice President and Chief Commercial Officer of Intelsat S.A. on January 9, 2018. Prior to joining Intelsat, Mr. Halawi served as Chief Commercial Officer for WorldVu Satellites Limited ("OneWeb") from April 2017 to January 2018, where he established and oversaw the distribution, product management, communications, business development, strategy, and sales and marketing functions. From 2011 to 2017, he served as Chief Executive Officer for Thuraya Telecommunications Company, a leader in mobile satellite services, with responsibility for performance, positioning and growth of the company. Mr. Halawi previously spent eight years at Inmarsat PLC in global strategy, running operations for the Middle East, Africa and Asia-Pacific. He also held prior roles in the telecommunications industry at Flag Telecom and ICO Global Communications ("ICO"), including a three year period in investment banking in the Middle East while at ICO. Mr. Halawi began his career in the automotive industry, occupying several positions with Chrysler Corporation and Ford Motor Company. He is currently a director of OmniSpace LLC, a mobile satellite services provider. He holds a Bachelor of Science degree in Electrical Engineering from Lawrence Technological University in Michigan, and a Masters of Business Administration from the University of Michigan. Mr. Halawi's business address is 7900 Tysons One Place, McLean, VA 22102, United States.

Mr. Kerrest became the Executive Vice President and Chief Financial Officer of Intelsat S.A. on February 1, 2016. Prior to this, Mr. Kerrest served as President of DPC Data Inc., a data products and specialized data services company, from July 2014 to February 2016, and has been serving as a director of that company since 2011. From 2008 to 2011, Mr. Kerrest served as Chief Financial Officer and Chief Operating Officer of ActivIdentity Corporation, an identity assurance provider. He also served as the Chief Financial Officer of Virgin Media plc, the second largest communications company in the United Kingdom, from 2004 to 2008. Prior to 2004, Mr. Kerrest held the role of Chief Financial Officer at companies including Equant Inc., Harte-Hanks, Inc., Chancellor Broadcasting Company and Positive Communications. Since June 2017, he also serves as a director of Comscore, Inc., a cross-platform measurement company that measures audiences, brands and consumer behavior. Mr. Kerrest has notified us that he intends to retire in the spring of 2019. Mr. Kerrest received his Masters of Science degree from Faculte Des Sciences Economiques in Paris, France, and a Masters of Business Administration from Institut D'Etudes Politiques De Paris in Paris, France as well as the Thunderbird School of Global Management in Glendale, Arizona. Mr. Kerrest's business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. Bateman became a director of Intelsat S.A. in July 2011. Mr. Bateman also served as a director of Intelsat Investments S.A. from August 2008 to May 2013. Mr. Bateman is a Partner of BC Partners based in its New York office, the investment arm of which he co-established in early 2008. He initially joined BC Partners' London office in 2000 from PricewaterhouseCoopers, where he spent three years in Transaction Services working on projects for both financial investors and corporate clients. In 2002/2003 he left BC Partners to complete his MBA at INSEAD before rejoining its London office.

Mr. Bateman serves on the board of Cyxtera Technologies, Inc., Teneo Global LLC, and Zest Dental Holdings Inc. He has previously served on the boards of Office Depot, Inc., MultiPlan, Inc. and Suddenlink Communications. He has a degree in economics from the University of Cambridge in the UK. Mr. Bateman's business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. Callahan became a director of Intelsat S.A. in April 2014. Mr. Callahan is the Chairman of Longueview Advisory, a media, internet and technology advisory firm. Prior to joining Longueview, he served as a special advisor with General Atlantic, Inc., a leading global growth equity firm, where he worked on internet, technology and resource investments, such as the Alibaba Group and Network Solutions, Inc., where he served as Chairman. He previously held the position of Chairman and Chief Executive Officer of Ziff Davis Media, Inc. Mr. Callahan also spent 20 years at the Walt Disney Company/ABC/Capital Cities, where he held numerous positions, including President of ABC Inc. Mr. Callahan holds a Bachelor of Science degree in Journalism from the University of Kansas. Mr. Callahan's business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. Diercksen became a director of Intelsat S.A. in September 2013. Mr. Diercksen serves as a Senior Advisor at LionTree Investment Advisors, addressing financial, operational and management services with client business development. From December 2015 to June 2017, Mr. Diercksen served as the Chief Executive Officer of Beachfront Wireless. Previously, Mr. Diercksen retired from Verizon Communications as the executive vice president for strategy, development and planning in September 2013, with responsibility for key strategic initiatives related to the review and assessment of potential mergers, acquisitions and divestitures. Earlier in his career, Mr. Diercksen held a number of senior financial and leadership positions at Verizon, Bell Atlantic, and NYNEX, among other companies. Mr. Diercksen also serves on the boards of Cyxtera Technologies, Inc. and Banco Popular, Inc. and previously served on the board of Harman International Industries. Mr. Diercksen holds an MBA from Pace University and a Bachelor of Business Administration in finance from Iona College. Mr. Diercksen also qualifies as an audit committee financial expert. Mr. Diercksen's business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. Kangas became a director of Intelsat S.A. in July 2012. He also serves as Chairman of the board of directors of Deutsche Bank USA Corp., the U.S. holding company of Deutsche Bank AG. Mr. Kangas serves as Lead Director of Tenet Healthcare Corporation, where he previously served as Non-Executive Chairman (and member of the Compensation Committee) from 2003 to 2015. Mr. Kangas also serves as Lead Director of United Technologies Corporation, and serves as a member of the board of directors of Hovnanian Enterprises, Inc. (and member of the Compensation, Audit and Governance and Nominating Committees) and Vivus, Inc. (and member of the Compensation Committee). He also formerly served as a director of Intuit, Inc. and Electronic Data Systems Corp. Mr. Kangas previously served as Global Chairman and Chief Executive Officer of Deloitte, Touche, Tohmatsu from 1989 to 2000. He also served as the managing partner of Deloitte & Touche (USA) from 1989 to 1994. Mr. Kangas holds a bachelor's degree in business and an MBA from the University of Kansas and is a Certified Public Accountant. Mr. Kangas also qualifies as an audit committee financial expert. Mr. Kangas' business address is 4, rue Albert Borschette, L-1246 Luxembourg.

Mr. Svider became a director of Intelsat S.A. in July 2011. Prior to April 2013, Mr. Svider also served as Chairman of the board of directors. Mr. Svider was a director of Intelsat Investments S.A. from February 2008 to May 2013 and became the Chairman of the board of directors of Intelsat S.A. in May 2008. Mr. Svider has been Co-Chairman of BC Partners since December 2008 and has been a Managing Partner of BC Partners since 2003. He joined BC Partners in 1992 in Paris before moving to London in 2000 to lead its investments in the technology and telecommunications industries. Over the years, Mr. Svider has participated in or led a variety of investments, including Tubesca, Nutreco, UTL, Neopost, Polyconcept, Neuf Telecom, Unity Media/Tele Columbus, Office Depot Inc., ATI Enterprises, MultiPlan, Inc., Suddenlink Communications, Accudyne Industries, Teneo Global LLC and PetSmart. He is currently on the board of Altice USA, Accudyne Industries, Teneo Global LLC, PetSmart, Navex Global and GFL Environmental. Prior to joining BC Partners, Mr. Svider worked in investment banking at Wasserstein Perella in New York and Paris, and at the Boston Consulting Group in Chicago. Mr. Svider holds a Master of Business Administration from the University of Chicago and a Master of Science in Engineering from both École Polytechnique and École Nationale Supérieure des Telecommunications in France. Mr. Svider's business address is 4, rue Albert Borschette, L-1246 Luxembourg.

B. Compensation of Officers and Directors

This section sets forth (i) the compensation and benefits provided to our executive officers and directors for 2018, (ii) a description of the bonus program in which our executive officers participated in 2018, (iii) the total amounts set aside or accrued in 2018 for pension, retirement and similar benefits for our executive officers, and (iv) the number, exercise price and expiration date of share option grants made during 2018.

2018 Compensation

For 2018, our executive officers received total compensation, including base salary, bonus, non-equity incentive compensation, equity-related income, contributions to the executive officer's account under our 401(k) plans and other retirement plans and certain perquisites, equal to \$38 million in the aggregate.

Annual Cash Bonuses

In April 2013, our board of directors adopted, and our shareholders approved, a Bonus Plan (the "Bonus Plan") which provides that certain of our and our subsidiaries' employees, including the executive officers, may be awarded cash bonuses based on the attainment of specific performance goals and business criteria established by our board of directors for participants in the Bonus Plan. The goals and criteria for the 2018 fiscal year included certain financial metrics, including revenue and adjusted EBITDA targets, as well as certain management objectives, all as defined by the compensation committee. The bonus target percentages for our executives are set forth in their respective employment agreements. Awards for the subject year are determined based upon completion of the audited consolidated financial statements for that year. The Bonus Plan is a discretionary plan and the compensation committee retains the right to award compensation absent the attainment of performance criteria.

The Bonus Plan enables the compensation committee to grant bonuses that are intended to qualify as performance-based compensation for purposes of Section 162(m) of the United States Internal Revenue Service Tax Code (the "Code") by conditioning the payout of the bonus on the satisfaction of certain performance goals (which are selected from the same list of performance goals applicable under our 2013 Equity Plan (see "—2013 Equity Incentive Plan" below)). In addition, the Bonus Plan also provides that, except to the extent otherwise provided in an award agreement, or any applicable employment, change in control, severance or other agreement between a participant and the Company, in the event of a change in control (as defined in our 2013 Equity Plan), the compensation committee may provide that all or a portion of any such bonus award will become fully vested based on (i) actual performance through the date of the change in control, as determined by the compensation committee or (ii) if the compensation committee determines that measurements of actual performance cannot be reasonably assessed, the assumed achievement of target performance as determined by the compensation committee. All awards previously deferred will be settled in full upon, or as soon as practicable following, the change in control.

Pension, Retirement and Similar Benefits

Our executive officers participate in a tax-qualified 401(k) plan on the same terms as our other employees. Our executive officers also participate in the Intelsat Excess Benefit Plan, a nonqualified retirement plan under which our executive officers and certain key employees receive additional contributions to address limitations placed on contributions under the tax-qualified 401(k) plan. Under the terms of his employment agreement, Mr. McGlade is provided with certain retiree medical benefits that are not otherwise provided to participants under the terms of our medical plan. The aggregate amount of the employer contributions to the 401(k) plans and the Intelsat Excess Benefit Plan for our executive officers during 2018 was \$16,019. Total present value of Mr. McGlade's post-retirement medical benefits was \$89,870.

Employment Agreements and Severance Protection

We have entered into employment agreements with each of our executive officers. Among other things, the employment agreements provide for minimum base salary, bonus eligibility and severance protection in the event of involuntary terminations of employment. Specifically, under the employment agreements, if the executive officer's employment is terminated by us without cause or if the officer resigns for good reason (in either case, as defined in the executive officer's respective employment agreement), then, subject to the executive officer's execution of a release of claims and compliance with certain restrictive covenants, the executive officer will be paid a severance amount on the sixtieth day after such termination of employment equal to the product of (x) the sum of the executive officer's annual base salary and target annual bonus as in effect on the date of such termination of employment, multiplied by (y) a severance multiplier equal to 2.0 in the case of Mr. Spengler, and 1.5 in the case of Messrs. DeMarco, Halawi, and Kerrest and Ms. Bryan. Mr. McGlade's employment agreement terminated on March 31, 2018, after which he transitioned to a non-executive chairman of the board.

Director Compensation

We provide non-executive members of the board with compensation (including equity based compensation) for their service on the board and any committees of the board. We do not provide any compensation to members of the board elected as representatives of an entity that is a sponsor shareholder. The director compensation policy provides that each director eligible for compensation (an "outside director") receives an annual board cash retainer of \$75,000 (the "basic cash retainer"). Effective

April 1, 2018 Mr. McGlade became an outside director eligible for compensation under the director compensation policy. In addition to the basic cash retainer, Mr. McGlade received an additional annual cash retainer of \$50,000 for serving as the chairman of the board. The chairman of the Audit Committee receives an annual cash retainer of \$22,500 and each other member of the Audit Committee receives an annual cash retainer of \$15,000. The chairman of the Compensation Committee receives an annual cash retainer of \$17,500 and each other member of the Compensation Committee receives an annual cash retainer of \$10,000. Effective January 1, 2019, the board of directors established a Nominating and Governance Committee. The chairman of the Nominating and Governance Committee receives an annual cash retainer of \$10,000 and each other member of the Nominating and Governance Committee receives an annual cash retainer of \$5,000. In addition, each outside director receives an annual restricted stock unit award (pursuant to the 2013 Equity Incentive Plan) with a grant date value of approximately \$125,000, or \$175,000 in the case of the chairman of the board, that vests on the first anniversary of the date of grant, subject to continued service on the board of directors on such vesting date, and subject to such other terms and conditions as established by the board of directors from time to time.

Each outside director may elect to receive any of the foregoing cash retainers in the form of fully vested restricted share unit (“RSU”) awards with a grant date value equal to the amount of such cash retainer, subject to such terms and conditions as established by the board of directors from time to time.

Other than the severance protection provided under the employment agreement of Mr. Spengler described above, no directors are party to service contracts with the Company providing for benefits upon termination of employment or service.

Non-executive members of the board are entitled to reimbursements for travel and other out-of-pocket expenses related to their board service.

Pursuant to a governance agreement (the “Governance Agreement”) we are party to with the shareholder affiliated with BC Partners (the “BC Shareholder”), we have agreed to reimburse directors nominated by the BC Shareholder for travel and other expenses related to their board and committee service.

Equity Grants issued during 2018

In 2018, we granted a total of 951,000 RSUs to our executive officers as a group and 28,600 RSUs to our outside directors pursuant to the 2013 Equity Plan (—see Equity Compensation Plans below). The units granted to the executive officers included both time-vesting restricted stock units as well as performance-based restricted stock units which vest on the basis of achievement of certain financial metrics. The units grants to the outside directors are time-vesting restricted stock units which vest on the anniversary of the grant date.

Equity Compensation Plans

2008 Share Incentive Plan

On May 6, 2009, the board of directors of Intelsat Global S.A. adopted the amended and restated Intelsat Global, Ltd. 2008 Share Incentive Plan (the “2008 Equity Plan”). Intelsat S.A. adopted the 2008 Equity Plan by an amendment effective as of March 30, 2012. The 2008 Equity Plan provides for a variety of equity-based awards with respect to our common shares, including non-qualified share options, incentive share options (within the meaning of Section 422 of the Code), restricted share awards, restricted share unit awards, share appreciation rights, phantom share awards and performance-based awards. While certain awards remain outstanding under the 2008 Equity Plan, no new awards may be granted under the 2008 Equity Plan.

In addition, in connection with the IPO, each of our executive officers agreed to cancel a portion of their unvested performance options in exchange for grants of new stock options and restricted share units granted to our executive officers under the 2013 Equity Incentive Plan.

Except for certain grants of restricted shares and stock options made immediately following the IPO, following the consummation of the IPO no new awards may be granted under the 2008 Equity Plan.

2013 Equity Incentive Plan

In connection with the IPO, we established the Intelsat S.A. 2013 Equity Incentive Plan (the “2013 Equity Plan”). Any of the employees, directors, officers, consultants or advisors (or prospective employees, directors, officers, consultants or advisors) of the Company or any of our subsidiaries or their respective affiliates, are eligible for awards under the 2013 Equity Plan. The compensation committee has the authority to determine who is granted an award under the 2013 Equity Plan, and it

has delegated authority to the Chief Executive Officer of the Company to make awards to individuals below the executive officer level, subject to reporting such awards to the compensation committee at the next following committee meeting.

No more than 20,000,000 of our common shares in the aggregate may be issued with respect to incentive stock options under the 2013 Equity Plan. No participant may be granted awards in any one calendar year with respect to more than 1,500,000 of our common shares in the aggregate (or the equivalent amount in cash, other securities or property).

Our common shares subject to awards are generally unavailable for future grant. If any shares are surrendered or tendered to pay the exercise price of an award or to satisfy withholding taxes owed, such shares will not be available for grant under the 2013 Equity Plan. If any award granted under the 2013 Equity Plan expires, terminates, is canceled or forfeited without being settled or exercised, our common shares subject to such award will again be made available for future grant.

The compensation committee may grant awards of non-qualified stock options, incentive (qualified) stock options, stock appreciation rights, restricted stock awards, restricted stock units, other stock-based awards, performance compensation awards (including cash bonus awards), or any combination of the foregoing. Awards may be granted under the 2013 Equity Plan and in assumption of, or in substitution for, outstanding awards previously granted.

C. Board Practices

Board Leadership Structure

Our board of directors consists of seven directors. Our articles of incorporation provide that our board of directors shall consist of not less than three directors and not more than twenty directors. Under Luxembourg law, directors are appointed by the general meeting of shareholders for a period not exceeding six years or until a successor has been elected. Our board is divided into three classes as described below. Pursuant to our articles of incorporation, our directors are appointed by the general meeting of shareholders for a period of up to three years (or, if longer, up to the annual meeting held following the third anniversary of the appointment), with each director serving until the third annual general meeting of shareholders following their election. Upon the expiration of the term of a class of directors, directors in that class will be elected for three-year terms at the annual general meeting of shareholders in the year in which their term expires. Messrs. Svider and Bateman are serving as Class I directors for a term expiring in 2020. Messrs. Spengler, McGlade and Callahan are serving as Class II directors for a term expiring in 2021. Messrs. Kangas and Diercksen are serving as Class III directors for a term expiring in 2019. Mr. McGlade serves as the Chairman of our board of directors.

Audit Committee

Intelsat S.A. has an audit committee consisting of Messrs. Kangas, Diercksen and Callahan. All members of the audit committee are independent directors. Pursuant to its charter and the authority delegated to it by the board of directors, the audit committee has sole authority for the engagement, compensation and oversight of our independent registered public accounting firm. In addition, the audit committee reviews the results and scope of the audit and other services provided by our independent registered public accounting firm, and also reviews our accounting and control procedures and policies. The audit committee meets as often as it determines necessary but not less frequently than once every fiscal quarter. Our board of directors has determined that each of Messrs. Kangas and Diercksen is an audit committee financial expert.

Compensation Committee

Intelsat S.A. has a compensation committee consisting of Messrs. Svider, Diercksen and Kangas. Messrs. Diercksen and Kangas are independent, and Mr. Svider is not independent, since he is associated with the Sponsor. Pursuant to its charter and the authority delegated to it by the board of directors, the compensation committee has responsibility for the approval and evaluation of all of our compensation plans, policies and programs as they affect Intelsat S.A.'s chief executive officer and other executive officers. The compensation committee meets as often as it determines necessary.

Nominating & Governance Committee

Intelsat S.A. has a nominating & governance committee consisting of Messrs. McGlade, Bateman, Callahan and Kangas. Messrs. Callahan and Kangas are independent, and Mr. McGlade is not independent, since he served as our chief executive officer within the past three years, and Mr. Bateman is not independent, since he is associated with the Sponsor. Pursuant to its charter and the authority delegated to it by the board of directors, the nominating & governance committee has responsibility for recommending to the board individuals qualified to serve as directors and on committees of the board; to advise the board

with respect to the board composition, procedures and committees; and to develop and recommend to the board a set of corporate governance principles applicable to the Company. The nominating & governance committee meets as often as it determines necessary but not less frequently than twice annually.

D. Employees

As of December 31, 2018, we had 1,187 full-time regular employees. These employees consisted of:

- 609 employees in engineering, operations and related information systems;
- 194 employees in finance, legal and other administrative functions;
- 298 employees in sales, marketing and strategy; and
- 86 employees in support of government sales and marketing.

We believe that our relations with our employees are good. None of our employees is represented by a union or covered by a collective bargaining agreement.

E. Share Ownership

The following table and accompanying footnotes show information regarding the beneficial ownership of our common shares by:

- each person known by us to beneficially own 5% or more of our outstanding common shares;
- each of our directors;
- each executive officer, subject to permitted exceptions; and
- all directors and executive officers as a group.

The percentage of beneficial ownership set forth below is based on approximately 138,073,226 common shares issued and outstanding as of February 12, 2019. All common shares listed in the table below are entitled to one vote per share, unless otherwise indicated in the notes thereto. Unless otherwise indicated, the address of each person named in the table below is c/o Intelsat S.A., 4, rue Albert Borschette, L-1246 Luxembourg.

Name of Beneficial Owner:	Common Shares Beneficially Owned(1)	
	Number	Percentage
Serafina S.A.(2)(12)	56,774,455	41.1%
Silver Lake Group, L.L.C.(3)(12)	12,380,437	9.0%
SLP III Investment Holdings S.à r.l.(3)(12)	12,102,657	8.8%
Point State Capital LP and related entities(4)	10,953,321	7.9%
David McGlade(5)(12)	4,537,793	3.2%
Stephen Spengler(6)	1,440,163	1.0%
Michelle Bryan(7)	328,700	*
Michael DeMarco(8)	151,500	*
Samer Halawi(9)	31,573	*
Jacques Kerrest(10)	741,209	*
Justin Bateman	—	*
Robert Callahan	20,124	*
John Diercksen	90,115	*
Edward Kangas	90,121	*
Raymond Svider	—	*
Directors and executive officers as a group(11) (11 persons)	7,431,298	5.2%

* Represents beneficial ownership of less than one percent of shares outstanding.

(1) The amounts and percentages of our common shares beneficially owned are reported on the basis of regulations of the U.S. Securities and Exchange Commission (the "SEC") governing the determination of beneficial ownership of

securities. Under the rules of the SEC, a person is deemed to be a “beneficial owner” of a security if that person has or shares “voting power,” which includes the power to vote or to direct the voting of such security, or “investment power,” which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed to be a beneficial owner of such securities as to which such person has an economic interest.

- (2) The common shares beneficially owned by Serafina S.A. are also beneficially owned by the limited partnerships comprising the fund commonly known as BC European Capital VIII, BC European Capital—Intelsat Co-Investment and BC European Capital—Intelsat Co-Investment 1. CIE Management II Limited is the general partner of, and has investment control over the shares beneficially owned by, each of the limited partnerships comprising the BC European Capital VIII fund that are domiciled in the United Kingdom, BC European Capital—Intelsat Co-Investment, and BC European Capital—Intelsat Co-Investment 1 (collectively, the “CIE Funds”). CIE Management II Limited may, therefore, be deemed to have shared voting and investment power over the common shares beneficially owned by each of the CIE Funds. LMBO Europe SAS is the Gerant of, and has investment control over the shares beneficially owned by, each of limited partnerships comprising the BC European Capital VIII fund that are domiciled in France (collectively, the “LMBO Funds”). LMBO Europe SAS may, therefore, be deemed to have shared voting and investment power over the common shares beneficially owned by each of the LMBO Funds. Because each of CIE Management II Limited and LMBO Europe SAS is managed by a board of directors, no individuals have ultimate voting or investment control for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the “Act”), over the shares that may be deemed beneficially owned by CIE Management II Limited or LMBO Europe SAS. The address of Serafina S.A. is 29, avenue de la Porte Neuve, L-2227 Luxembourg. The address of CIE Management II Limited and the CIE Funds is Heritage Hall, Le Marchant Street, St. Peter Port, Guernsey, GY1 4HY, Channel Islands and the address of LMBO Europe SAS and the LMBO Funds is 58-60 Avenue Kleber, Paris, France 75116.
- (3) The common shares held of record by SLP III Investment Holding S.à r.l. are beneficially owned by its shareholders Silver Lake Partners III, L.P. (“SLP”) and Silver Lake Technology Investors III, L.P. (“SLTI”). Silver Lake Technology Associates III, L.P. (“SLTA”) serves as the general partner of each of SLP and SLTI and may be deemed to beneficially own the shares directly owned by SLP and SLTI. SLTA III (GP), L.L.C. (“SLTA GP”) serves as the general partner of SLTA and may be deemed to beneficially own the shares directly owned by SLP and SLTI. Silver Lake Group, L.L.C. (“SLG”) serves as the managing member of SLTA GP and may be deemed to beneficially own the shares directly owned by SLP and SLTI. The address for each of SLP, SLTI, SLTA, SLTA GP and SLG is 2775 Sand Hill Road, Suite 100, Menlo Park, CA 94025.
- (4) Based on the most recently available Schedule 13G/A filed with the SEC on February 14, 2019 by PointState Capital LP (“PointState”), PointState reports that it serves as the investment manager to SteelMill Master Fund LP (“SteelMill”), PointState Holdings LLC (“PointState Holdings”) serves as the general partner of SteelMill, PointState Capital GP LLC (“PointState GP”) serves as the general partner of PointState, and Zachary J. Schreiber (“Mr. Schreiber”) serves as managing member of PointState GP and PointState Holdings. PointState reports that SteelMill, PointState Holdings, PointState, PointState GP and Mr. Schreiber (collectively, the “Reporting Persons”) filed a Schedule 13G/A jointly with respect to the same securities as contemplated by Rule 13d-1(k)(1) under the U.S. Securities Exchange Act of 1934 (the “Exchange Act”), and not as members of a group. PointState further reports that PointState, as investment manager to SteelMill, and Mr. Schreiber, as managing member of PointState GP and PointState Holdings, may be deemed to beneficially own, within the meaning of Section 13(d) of the Exchange Act and the rules and regulations thereunder, the common shares of Intelsat S.A. held directly by SteelMill. The address of each of the Reporting Persons is care of PointState Capital LP, 40 West 57th Street, 25th Floor, New York, New York 10019.
- (5) Includes common shares held by McGlade Investments II, LLC, the Article 4 Family Trust U/T David McGlade 2009 GRAT and the David P. McGlade Declaration of Trust. Mr. McGlade exercises voting power over a total of 2,497,181 common shares. Mr. McGlade also holds restricted share units and options entitling him to receive or purchase 2,040,612 common shares within sixty days of February 12, 2019.
- (6) Mr. Spengler exercises voting power over 581,913 common shares and holds restricted share units and options entitling him to receive or purchase 858,250 common shares within sixty days of February 12, 2019. A portion of these shares, restricted share units and options is subject to vesting and other restrictions.
- (7) Ms. Bryan exercises voting power over 97,450 common shares and holds restricted share units and options entitling her to receive or purchase 231,250 common shares within sixty days of February 12, 2019. A portion of these restricted share units and options is subject to vesting and other restrictions.
- (8) Mr. DeMarco exercises voting power over 30,000 shares and holds restricted share units and options entitling him to receive or purchase 121,500 common shares within sixty days of February 12, 2019. A portion of these shares, restricted share units and options is subject to vesting and other restrictions.
- (9) Mr Halawi exercises voting power over 6,573 shares and holds restricted share units and options entitling him to receive or purchase 25,000 shares within 60 days of February 12, 2019. A portion of these restricted share units and options is subject to vesting and other restrictions.

- (10) Mr. Kerrest exercises voting power over 207,709 shares and holds restricted share units and options entitling him to receive or purchase 533,500 common shares within sixty days of February 12, 2019. A portion of these restricted share units and options is subject to vesting and other restrictions.
- (11) Directors and executive officers as a group exercise voting power over 3,621,186 common shares and hold restricted share units and options entitling them to receive or purchase 3,810,112 common shares within sixty days of February 12, 2019 under applicable vesting schedules.
- (12) Under our Governance Agreement and Shareholders Agreement, Serafina S.A. currently has the right to nominate two directors for election to our board of directors and Serafina S.A., Silver Lake entities and Mr. McGlade and his affiliated trusts and entities have certain drag along and tag along rights. As a result, Serafina S.A. and certain related parties named in footnote (2) above, SLP III Investment Holdings S.à r.l. and certain related parties named in footnote (3) above and David McGlade may be deemed to constitute a “group” that beneficially owns approximately 52.6% of our common shares for purposes of Section 13(d)(3) of the Act. Each of Serafina S.A., SLP III Investment Holdings S.à r.l., their respective related parties and David McGlade disclaim beneficial ownership of any common shares held by each other.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

See Item 6E—Share Ownership.

B. Related Party Transactions

See Item 10C - Material Contracts. Also, in June 2018, in a public offering of approximately 15.5 million Common Shares by the Company, funds controlled by BC Partners, our largest beneficial owner, purchased an additional 2,021,563 Common Shares at the public offering price of \$14.84 per Common Share.

C. Interests of experts and counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

Our consolidated financial statements are filed under this item, beginning on page F-1 of this Annual Report on Form 20-F. The financial statement schedules required under Regulation S-X are filed pursuant to Item 18 and Item 19 on Form 20-F.

Legal Proceedings

We are subject to litigation in the ordinary course of business, but management does not believe that the resolution of any pending proceedings would have a material adverse effect on our financial position or results of operations.

Dividend Policy

We do not expect to pay dividends or other distributions on our common shares in the foreseeable future. We currently intend to retain any future earnings for working capital and general corporate purposes, which could include the financing of operations or the repayment, redemption, retirement or repurchase in the open market of our indebtedness. Under Luxembourg law, the amount and payment of dividends or other distributions is determined by a simple majority vote at a general shareholders’ meeting based on the recommendation of our board of directors, except in certain limited circumstances. Pursuant to our articles of incorporation, the board of directors has the power to pay interim dividends or make other distributions in accordance with applicable Luxembourg law. Distributions may be lawfully declared and paid if our net profits and/or distributable reserves are sufficient under Luxembourg law. All of our common shares rank *pari passu* with respect to the payment of dividends or other distributions unless the right to dividends or other distributions has been suspended in accordance with our articles of incorporation or applicable law.

Under Luxembourg law, up to 5% of our net profits per year must be allocated to the creation of a legal reserve until such reserve has reached an amount equal to 10% of our issued share capital. The allocation to the legal reserve becomes

compulsory again when the legal reserve no longer represents 10% of our issued share capital. The legal reserve is not available for distribution.

We are a holding company and have no material assets other than our indirect ownership of shares in our operating subsidiaries. If we were to pay a dividend or other distribution on our common shares at some point in the future, we would cause the operating subsidiaries to make distributions to us in an amount sufficient to cover any such dividends. Our subsidiaries' ability to make distributions to us is restricted under certain of their debt and other agreements.

B. Significant Changes

No significant change has occurred since the date of the annual financial statements included in this Annual Report on Form 20-F.

Item 9. The Offer and Listing

A. Offering and Listing Details

Since our IPO on April 23, 2013, our common shares have traded on the NYSE under the symbol "T".

B. Plan of Distribution

Not applicable.

C. Markets

See Item 9A—Offering and Listing Details.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

A copy of our amended and restated consolidated articles of incorporation is being filed as an exhibit to this Annual Report, and is incorporated herein by reference. The information called for by this Item 10B—“Additional Information—Memorandum and Articles of Association” has been reported previously in our Registration Statement on Form F-1, as amended (File No. 333- 181527), initially filed with the SEC on May 18, 2012, under the heading “Description of Share Capital,” and in our Annual Report on Form 20-F as amended (File No. 001-35878), initially filed with the SEC on February 26, 2018, under the heading “Additional Information – Memorandum and Articles of Association,” and is incorporated by reference into this Annual Report. There are no limitations on the rights to own securities, including the rights of non-resident or foreign shareholders to hold or exercise voting rights on the securities imposed by the laws of Luxembourg or by our articles of incorporation.

C. Material Contracts

The following is a summary of each material contract, other than material contracts entered into in the ordinary course of business, to which we are a party, for the two years immediately preceding the date of this Annual Report:

Employment Agreements and Other Arrangements

See summary of Employment Agreements provided under Item 6B above. From time to time, we also enter into other compensation agreements and retention mechanisms with our executive officers.

Equity Compensation Agreements

Equity Grant Agreements under 2008 Equity Plan

Certain of our executive officers hold options granted under the 2008 Equity Plan that are subject to forfeiture and other restrictions as set forth in the executive officers’ respective award agreements.

Option and Restricted Share Unit Agreements under 2013 Equity Plan

Certain of our executive officers hold restricted share units (“RSUs”) and option agreements under our 2013 Equity Plan that vest as follows:

- RSUs which vest based on continued service or achievement of one or more long-term performance and financial metrics over one to three years; and
- options to purchase common shares at exercise prices of \$3.29 per share and \$3.77 per share, which are fully vested or vest based on continued service over 2 to 3 years and expire on the 10th anniversary of the date of grant.

New Governance Agreement

In December 2018, we entered into a new governance agreement (the “New Governance Agreement”) with Serafina S.A. (the “BC Shareholder”). Key terms of the New Governance Agreement include:

Nomination Rights

Under the New Governance Agreement, the BC Shareholder has the right to nominate (i) two directors for election to our board of directors as long as the BC Shareholder owns at least 25% of our outstanding common shares; and (ii) one director for election to our board of directors as long as the BC Shareholder owns at least 5% but less than 25% of our outstanding common shares, in each case calculated on a fully diluted basis, after giving effect to convertible, exchangeable or exercisable rights or securities held by the BC Shareholder (other than our 4.50% convertible senior notes due 2025 issued on June 18, 2018).

In the event that the BC Shareholder’s nomination rights are decreased as described above, the BC Shareholder will agree to cause its respective director or directors to resign from our board of directors as appropriate to reflect the decrease, and, subject to the rights described above, the majority of the remaining directors on our board of directors appointed by the general meeting may fill such vacancy.

We have agreed to include the director nominees proposed by the BC Shareholder on each slate of nominees for election to our board of directors, to recommend the election of those nominees to our shareholders and to use reasonable best efforts to have them elected to our board of directors.

Information Rights; Confidentiality

Under the New Governance Agreement, if the BC Shareholder is not entitled to nominate a director for election to our board of directors but remains a shareholder, it will be entitled to certain information rights, including the receipt of the board meeting materials provided to each director. The BC Shareholder is subject to customary confidentiality obligations.

Termination

The New Governance Agreement will terminate upon the earlier of (i) April 23, 2023 and (ii) the day on which the BC Shareholder first either (x) owns shares representing less than 5% of our outstanding common shares or (y) is no longer entitled to nominate a director.

New Shareholders Agreement

In December 2018, we entered into a new shareholders agreement (the “New Shareholders Agreement”) with the BC Shareholder, certain shareholders affiliated with Silver Lake Group, L.L.C. (the “Silver Lake Shareholder”) and David McGlade and certain of his affiliated trusts and entities (the “McGlade Shareholder” and, together with the BC Shareholder and the Silver Lake Shareholder, the “Shareholders”). Key terms of the New Shareholders Agreement include:

Tag-Along and Drag-Along Rights

Under the New Shareholders Agreement, each of the Silver Lake Shareholder and the McGlade Shareholder has certain tag-along rights on transfers by the BC Shareholder, and the BC Shareholder has drag-along rights with respect to the Silver Lake Shareholder and the McGlade Shareholder under certain circumstances.

The tag-along rights will terminate at such time as either the BC Shareholder or the Silver Lake Shareholder owns less than 5% of our outstanding common shares. The drag-along rights will terminate at such time as either (i) the BC Shareholder and the Silver Lake Shareholder together own in the aggregate less than 10% of our outstanding common shares or (ii) either the BC Shareholder or the Silver Lake Shareholder ceases to own any common shares.

Information Rights; Confidentiality

Under the New Shareholders Agreement, until such time as the Silver Lake Shareholder owns less than 5% of our outstanding common shares, the Silver Lake Shareholder will be entitled to receive certain information required to meet internal and external reporting or other legal/compliance obligations. The Silver Lake Shareholder is subject to customary confidentiality obligations.

Registration Rights

Under the New Shareholders Agreement, the BC Shareholder, the Silver Lake Shareholder and the McGlade Shareholder have certain registration rights. Subject to certain exceptions, the BC Shareholder is entitled to unlimited demand registrations, and the Silver Lake Shareholder is entitled to one demand registration within any 12-month period. Each Shareholder is entitled to piggyback registration rights with respect to any registrations by us, for our own account or for the account of other Shareholders, subject to certain exceptions. The registration rights are subject to customary limitations and exceptions, including our right to withdraw or defer the registration or a sale pursuant thereto in certain circumstances and certain cutbacks by the underwriters if marketing factors require a limitation on the number of shares to be underwritten in a proposed offering.

In connection with the registrations described above, we have agreed to indemnify the Shareholders against certain liabilities. In addition, we and the Shareholders have agreed that certain fees, costs and expenses of any registration will be paid pro rata by us and selling Shareholders based on the number of securities to be registered or sold, except that (a) the pro rata expenses attributable to the McGlade Shareholder and the costs of one counsel for the selling Shareholders will be borne by us and (b) underwriting discounts and commissions and similar brokers’ fees, transfer taxes and costs of more than one counsel for the selling Shareholders will be borne by the Shareholders incurring the same.

The registration rights will terminate (i) as to the McGlade Shareholder, at such time as the McGlade Shareholder no longer owns any registrable securities and (ii) as to each of the BC Shareholder and the Silver Lake Shareholder, at such time as such Shareholder owns less than 5% of our outstanding common shares.

Termination

The New Shareholders Agreement will terminate at such time as the tag-along rights, drag-along rights and registration rights provisions have all terminated according to their terms.

Indemnification Agreements

We have entered into agreements with our executive officers and directors to provide contractual indemnification in addition to the indemnification provided for in our articles of incorporation.

Debt Agreements

For a summary of the terms of our material debt agreements, see Note 12 to our consolidated financial statements included elsewhere in this Annual Report. In addition, with regard to all the notes issued by Intelsat Luxembourg, ICF and Intelsat Jackson, the following covenants and events of default apply:

Covenants that limit the issuers, and in some cases some of the issuers' subsidiaries', ability to:

- incur additional debt or issue disqualified or preferred stock;
- pay dividends or repurchase shares of Intelsat Jackson or any of its parent companies;
- make certain investments;
- enter into transactions with affiliates;
- merge, consolidate and sell assets; and
- incur liens on any of their assets securing other indebtedness, unless the applicable notes are equally and ratably secured.

Events of Default

- default in payments of interest after a 30-day grace period or a default in the payment of principal when due;
- default in the performance of any covenant in the indenture that continues for more than 60 days after notice of default has been provided to the issuer;
- failure to make any payment when due, including applicable grace periods, under any indebtedness for money borrowed by Intelsat Luxembourg, ICF, Intelsat Jackson or a significant subsidiary thereof having a principal amount in excess of \$75 million;
- the acceleration of the maturity of any indebtedness for money borrowed by Intelsat Luxembourg, ICF, Intelsat Jackson or a significant subsidiary thereof having a principal amount in excess of \$75 million;
- insolvency or bankruptcy of Intelsat Luxembourg, ICF, Intelsat Jackson or a significant subsidiary thereof; and
- failure by Intelsat Luxembourg, ICF, Intelsat Jackson or a significant subsidiary thereof to pay final judgments aggregating in excess of \$75 million, which are not discharged, waived or stayed for 60 days after the entry thereof.

If any event of default occurs and is continuing with respect to the notes, the trustee or the holders of at least 25% in principal amount of the notes may declare the entire principal amount of the notes to be immediately due and payable. If any event of default with respect to the notes occurs because of events of bankruptcy, insolvency or reorganization, the entire principal amount of the notes will be automatically accelerated, without any action by the trustee or any holder.

D. Exchange Controls

We are not aware of any governmental laws, decrees, regulations or other legislation in Luxembourg that restrict the export or import of capital, including the availability of cash and cash equivalents for use by our affiliated companies, or that affect the remittance of dividends, interest or other payments to non-resident holders of our securities.

E. Taxation

The following sets forth material Luxembourg income tax consequences of an investment in our common shares. It is based upon laws and relevant interpretations thereof in effect as of the date of this Annual Report, all of which are subject to change. This discussion does not deal with all possible tax consequences relating to an investment in our common shares, such as the tax consequences under U.S. federal, state, local and other tax laws.

Material Luxembourg Tax Considerations for Holders of Shares

The following is a summary discussion of certain Luxembourg tax considerations of the acquisition, ownership and disposition of your common shares that may be applicable to you if you acquire our common shares. This does not purport to be a comprehensive description of all of the tax considerations that may be relevant to any of our common shares or the Holders thereof, and does not purport to include tax considerations that arise from rules of general application or that are generally assumed to be known to Holders. This discussion is not a complete analysis or listing of all of the possible tax consequences of such transactions and does not address all tax considerations that might be relevant to particular Holders in light of their personal circumstances or to persons that are subject to special tax rules.

It is not intended to be, nor should it be construed to be, legal or tax advice. This discussion is based on Luxembourg laws and regulations as they stand on the date of this Annual Report and is subject to any change in law or regulations or changes in interpretation or application thereof (and which may possibly have a retroactive effect). Prospective investors should therefore consult their own professional advisers as to the effects of state, local or foreign laws and regulations, including Luxembourg tax law and regulations, to which they may be subject.

As used herein, a “Luxembourg individual” means an individual resident in Luxembourg who is subject to personal income tax (*impôt sur le revenu*) on his or her worldwide income from Luxembourg or foreign sources, and a “Luxembourg corporate Holder” means a company (that is, a fully taxable entity within the meaning of Article 159 of the Luxembourg Income Tax Law) resident in Luxembourg subject to corporate income tax (*impôt sur le revenu des collectivités*) and municipal business tax (*impôt commercial communal*) on its worldwide income from Luxembourg or foreign sources. For purposes of this summary, Luxembourg individuals and Luxembourg corporate Holders are collectively referred to as “Luxembourg Holders.” A “non-Luxembourg Holder” means any investor in our common shares other than a Luxembourg Holder.

Tax Regime Applicable to Realized Capital Gains

Luxembourg Holders

Luxembourg resident individual Holders

Capital gains realized by Luxembourg resident individuals who do not hold their shares as part of a commercial or industrial or independent business and who hold no more than 10% of the share capital of the Company will only be taxable if they are realized on a disposal of common shares that takes place before their acquisition or within the first six months following their acquisition. If such is the case, capital gains will be taxed at ordinary rates according to the progressive income tax schedule plus surcharges.

For Luxembourg resident individuals holding (alone or together with his/her spouse or civil partner and underage children), directly or indirectly, more than 10% of the capital of the Company at any time during the five years prior to the disposal (or if the Luxembourg resident individuals have received the shares for no consideration within the last five years prior to the disposal and that the former holder held at least 10% in the capital of the Company at any moment during said five years), capital gains will be taxable, regardless of the holding period. In case of a disposal after six months from acquisition, the capital gain is subject to tax as extraordinary income subject to the half-global rate method. Within the six month period, capital gains will be taxed at ordinary rates according to the progressive income tax schedule plus surcharges.

If such shares are held as part of a commercial or industrial business, capital gains would be taxable in the same manner as income from such business.

Luxembourg resident corporate Holders

Capital gains realized upon the disposal of common shares by a fully taxable Luxembourg resident corporate Holder will in principle be subject to corporate income tax and municipal business tax. The combined applicable rate (including an unemployment fund contribution) is 26.01% for the fiscal years as from January 1, 2018 for a Luxembourg resident corporate Holder established in Luxembourg-City. An exemption from such taxes may be available to the Luxembourg resident corporate Holder pursuant to Article 166 of the Luxembourg Income Tax Law subject to the fulfillment of the conditions set forth therein. The scope of the capital gains exemption can be limited in the cases provided by the Grand Ducal Decree of December 21, 2001, as amended.

Non-Luxembourg Holders

An individual who is a non-Luxembourg Holder of shares (and who does not have a permanent establishment, a permanent representative or a fixed place of business in Luxembourg) will only be subject to Luxembourg taxation on capital gains arising upon disposal of such shares if such non-Luxembourg Holder has (alone or together with his or her spouse or civil partner and underage children), directly or indirectly held, more than 10% of the capital of the Company at any time during the past five years, and either (i) such non-Luxembourg Holder has been a resident of Luxembourg for tax purposes for at least 15 years and has become a non-resident within the last five years preceding the realization of the gain, subject to any applicable tax treaty, or (ii) the disposal of shares occurs within six months from their acquisition (or prior to their actual acquisition), subject to any applicable tax treaty.

A corporate non-Luxembourg Holder which has a permanent establishment, a permanent representative or a fixed place of business in Luxembourg to which shares are attributable, will bear corporate income tax and municipal business tax on a gain realized on a disposal of such shares as set forth above for a Luxembourg corporate Holder. However, gains realized on the disposal of the shares may benefit from the full exemption provided for by Article 166 of the Luxembourg Income Tax Law and by the Grand Ducal Decree of December 21, 2001, as amended, subject in each case to fulfillment of the conditions set out therein.

A corporate non-Luxembourg Holder, which has no permanent establishment in Luxembourg to which the shares are attributable, will bear corporate income tax and municipal business tax on a gain realized on a disposal of such shares under the same conditions applicable to an individual non-Luxembourg Holder, as set out above under (ii).

Tax Regime Applicable to Distributions

Withholding tax

Distributions imputed for tax purposes on current or accumulated profits are subject to a withholding tax of 15%. Distributions sourced from a reduction of capital as defined in Article 97 (3) of the Luxembourg Income Tax Law, including, among others, share premium, should not be subject to withholding tax, provided no newly accumulated fiscal profits are recognized. For the foreseeable future, we do not expect to recognize newly accumulated fiscal profits in the relevant annual standalone accounts of the Company prepared under Luxembourg GAAP, and so, on that basis, distributions should not be subject to Luxembourg withholding tax.

To the extent, however, that the Company would recognize, against our expectation, newly accumulated fiscal profits in its annual standalone accounts prepared under Luxembourg GAAP, there will be a 15% withholding tax, unless one of the below exemptions or reductions is available for the dividend recipient.

The rate of the withholding tax may be reduced pursuant to any applicable double taxation treaty existing between Luxembourg and the country of residence of the relevant Holder, subject to the fulfillment of the conditions set forth therein.

No withholding tax applies if the distribution is made to (i) a Luxembourg resident corporate Holder (that is, a fully taxable entity within the meaning of Article 159 of the Luxembourg Income Tax Law), (ii) an undertaking of collective character which is resident of a Member State of the European Union and is referred to by article 2 of the Council Directive 2011/96/EU of 30 November 2011 and concerning the system of taxation applicable in the case of parent companies and subsidiaries of different member states (subject to the general anti-abuse rule provided for by Council Directive 2015/121/EU as implemented into Luxembourg laws), (iii) a corporation or a cooperative company resident in Norway, Iceland or Liechtenstein and subject to a tax comparable to corporate income tax as provided by the Luxembourg Income Tax Law, (iv) an undertaking with a collective character subject to a tax comparable to corporate income tax as provided by the Luxembourg Income Tax Law which is resident in a country that has concluded a tax treaty with Luxembourg, (v) a share capital company resident in Switzerland which is subject to corporate income tax in Switzerland without benefiting from an exemption and (vi) a Luxembourg permanent establishment of one of the aforementioned categories under (i) to (iv), provided that at the date of payment, the Holder holds or commits to hold directly or through a tax transparent vehicle, during an uninterrupted period of at least twelve months, shares representing at least 10% of the share capital of the Company or acquired for an acquisition price of at least EUR 1.2 million.

Income Tax

Luxembourg individual Holders

Luxembourg individual Holders must include the distributions paid on the shares in their taxable income. However, 50% of the amount of such dividends may be exempted from tax under the Luxembourg Income Tax Law. The applicable withholding tax can, under certain conditions, entitle the relevant Luxembourg Holder to a tax credit.

Luxembourg resident corporate Holders

Luxembourg resident corporate Holders can benefit from an exemption of 100% of the amount of a dividend received provided that, at the date when the income is made available, they hold or commit to hold a participation of minimum 10% of the share capital of the Company or which has an acquisition price equivalent to minimum EUR 1.2 million for an uninterrupted period of at least 12 months.

Net Wealth Tax

Luxembourg Holders

Luxembourg net wealth tax will not be levied on a Luxembourg Holder with respect to the shares held unless (i) the Luxembourg Holder is a legal entity subject to net wealth tax in Luxembourg; or (ii) the shares are attributable to an enterprise (other than of an individual Holder) or part thereof which is carried on through a permanent establishment, a fixed place of business or a permanent representative in Luxembourg.

Net wealth tax is levied annually at a digressive rate depending on the amount of the net wealth of the above, as determined for net wealth tax purposes (i.e., 0.5% on amounts up to EUR 500 million and 0.05% on the amount of taxable net wealth exceeding EUR 500 million).

The shares of the Company may be exempt from net wealth tax subject to the conditions set forth by Paragraph 60 of the Law of October 16, 1934 on the valuation of assets (*Bewertungsgesetz*), as amended.

Non-Luxembourg Holders

Luxembourg net wealth tax will not be levied on a non-Luxembourg Holder with respect to the shares held unless the shares are attributable to an enterprise of a non-Luxembourg corporate Holder or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg.

Stamp and Registration Taxes

No registration tax or stamp duty will be payable by a Holder of shares in Luxembourg solely upon the disposal of shares by sale or exchange.

Estate and Gift Taxes

No estate or inheritance tax is levied on the transfer of shares upon the death of a Holder of shares in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes, and no gift tax is levied upon a gift of shares if the gift is not passed before a Luxembourg notary or recorded in a deed registered in Luxembourg. Where a Holder of shares is a resident of Luxembourg for tax purposes at the time of his or her death, the shares are included in his or her taxable estate for inheritance tax or estate tax purposes.

F. Dividends and Paying Agents

Not applicable.

G. Statements by Experts

Not applicable.

H. Documents on Display

Documents concerning us that are referred to herein may be inspected at our principal executive offices at 4, rue Albert Borschette, L-1246 Luxembourg. Those documents, which include our registration statements, periodic reports and other documents which were filed with or furnished to the SEC, may be obtained electronically from the Investors section of our

website at www.intelsat.com, from the SEC's website at www.sec.gov or from the SEC public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Further information on the operation of the public reference rooms may be obtained by calling the SEC at 1-202-551-8909. Copies of documents can also be requested from the SEC public reference rooms for a copying fee at prescribed rates.

I. Subsidiary Information

Not applicable.

Item 11. Quantitative and Qualitative Disclosures About Market Risk

We are primarily exposed to the market risk associated with unfavorable movements in interest rates and foreign currencies. The risk inherent in our market risk sensitive instruments and positions is the potential loss arising from adverse changes in those factors. We do not purchase or hold any derivative financial instruments for speculative purposes.

Interest Rate Risk

The satellite communications industry is a capital intensive, technology driven business. We are subject to interest rate risk primarily associated with our borrowings. Interest rate risk is the risk that changes in interest rates could adversely affect earnings and cash flows. Specific risks include the risk of increasing interest rates on short-term debt, for planned new fixed-rate long-term financings, and for planned refinancings using long-term fixed-rate debt.

Excluding the impact of our outstanding interest rate cap contracts, approximately 79% of our debt, or \$11.4 billion principal amount was fixed-rate debt as of December 31, 2017. As of December 31, 2018, our fixed-rate debt increased to approximately 83%, or \$11.9 billion. We also perform interest rate sensitivity analyses on our variable-rate debt. While our variable-rate debt may impact earnings and cash flows as interest rates change, it is not subject to changes in fair values. Based on the level of fixed-rate debt outstanding at December 31, 2018, a 100 basis point decrease in market rates would result in an increase in fair value of this fixed-rate debt of approximately \$446.0 million. These analyses indicate that a 100 basis point increase in interest rates would have an annual impact of approximately \$24.0 million on our consolidated statements of operations and cash flows as of December 31, 2018.

As of December 31, 2018, we held interest rate cap contracts with an aggregate notional amount of \$2.4 billion, which mature in February 2021. These contracts were entered into to mitigate our risk of interest rate increases on the floating rate term loans under our senior secured credit facilities. If LIBOR exceeds 1.89% prior to the 3 year expiration date of the cap contracts, the Company will receive the resulting increase in interest payment required to the term loan holders from the counterparties to the arrangement.

These interest rate cap contracts have not been designated for hedge accounting treatment in accordance with the Derivatives and Hedging topic of the FASB ASC 815, as amended and interpreted, and the changes in fair value of these instruments are recognized in earnings during the period of change.

Foreign Currency Risk

We do not currently use material foreign currency derivatives to hedge our foreign currency exposures. Substantially all of our customer contracts, capital expenditure contracts and operating expense obligations are denominated in U.S. dollars. Consequently, we are not exposed to material foreign currency exchange risk. However, the service contracts with our Brazilian customers provide for payment in Brazilian *reais*. Accordingly, we are subject to the risk of a reduction in the value of Brazilian *reais* as compared to U.S. dollars in connection with payments made by Brazilian customers, and our exposure to fluctuations in the exchange rate for Brazilian *reais* is ongoing. However, the rates payable under our service contracts with Brazilian customers are adjusted annually to account for inflation in Brazil, thereby partially mitigating the risk. For the years ended December 31, 2016, 2017 and 2018 our Brazilian customers represented approximately 3.7%, 4.0% and 3.3% of our revenue, respectively. Transactions in other currencies are converted into U.S. dollars using exchange rates in effect on the dates of the transactions.

Item 12. Description of Securities Other than Equity Securities

Not applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

Not applicable.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Not applicable.

Item 15. Controls and Procedures

(a) Disclosure Controls and Procedures

Disclosure controls and procedures are controls and procedures that are designed to ensure that information required to be disclosed by us in reports that we file or furnish under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. We periodically review the design and effectiveness of our disclosure controls and procedures worldwide, including compliance with various laws and regulations that apply to our operations. We make modifications to improve the design and effectiveness of our disclosure controls and procedures, and may take other corrective action, if our reviews identify a need for such modifications or actions. In designing and evaluating the disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

We have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and our principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act), as of the year ended December 31, 2018. Based upon that evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of December 31, 2018.

(b) Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework set forth in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on our evaluation, management has concluded that our internal control over financial reporting was effective as of December 31, 2018.

(c) Attestation Report of the Registered Public Accounting Firm

See the report of KPMG LLP, an independent registered public accounting firm, included under “Item 18. Financial Statements” on pages F-2 and F-3 of this Annual Report.

(d) Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the year ended December 31, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16. [Reserved]

Item 16A. Audit Committee Financial Expert

The board of directors has determined that each of Messrs. Kangas and Diercksen qualifies as an audit committee financial expert, as defined in Item 16A of Form 20-F, and that Messrs. Kangas and Diercksen are also “independent,” as defined in Rule 10A-3 under the Exchange Act and applicable NYSE standards. For more information about Messrs. Kangas and Diercksen, see Item 6A—Directors, Senior Management and Employees—Directors and Senior Management.

Item 16B. Code of Ethics

We have adopted a Code of Ethics for Senior Financial Officers, including our chief executive officer, chief financial officer, principal accounting officer, controller and any other person performing similar functions. The Code of Ethics is posted on our website at www.intelsat.com. We intend to disclose on our website any amendments to or waivers of this Code of Ethics.

Item 16C. Principal Accountant Fees and Services

Audit Fees

Our audit fees were \$3.6 million and \$4.9 million for the years ended 2017 and 2018, respectively.

Audit-Related Fees

Our audit-related fees were none for the years ended 2017 and 2018, respectively.

Tax Fees

Our tax fees paid to our principal accountants were none and \$11,000 for the years ended 2017 and 2018, respectively. The fees were primarily associated with U.S. state taxation.

All Other Fees

All other fees paid to our principal accountants were \$150,000 for each of the two years ended 2017 and 2018. Our other fees for 2017 and 2018 included fees associated with attestation of IT security controls.

Audit Committee Pre-Approval Policies and Procedures

Consistent with SEC requirements regarding auditor independence, the audit committee has adopted a policy to pre-approve services to be provided by our independent registered public accounting firm prior to commencement of the specified service. The requests for pre-approval are submitted to the audit committee, or a designated member of the audit committee, by our Chief Financial Officer or Controller, and the audit committee chairman executes engagement letters with our independent registered public accounting firm following approval by audit committee members, or the designated member of the audit committee. All services performed by KPMG LLP during 2018 were pre-approved by the audit committee.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Not applicable.

Item 16F. Change in Registrants’ Certifying Accountant

Not applicable.

Items 16G. Corporate Governance

Our common shares are listed on the NYSE. For purposes of NYSE rules, so long as we are a foreign private issuer, we are eligible to take advantage of certain exemptions from NYSE corporate governance requirements provided in the NYSE rules. We are required to disclose the significant ways in which our corporate governance practices differ from those that apply to U.S. companies under NYSE listing standards. Set forth below is a summary of these differences:

Director Independence—The NYSE rules require domestic companies to have a majority of independent directors, but as a foreign private issuer we are exempt from this requirement. Our board of directors consists of seven members and we believe that three of our board members satisfy the “independence” requirements of the NYSE rules.

Board Committees—The NYSE rules require domestic companies to have a compensation committee and a nominating and corporate governance committee composed entirely of independent directors, but as a foreign private issuer we are exempt from these requirements. We have a compensation committee comprised of three members, and we believe that two of the committee members satisfy the “independence” requirements of the NYSE rules. We have a nominating and corporate governance committee comprised of four members, and we believe that two of the committee members satisfy the “independence” requirements of the NYSE rules.

Item 16H. Mine Safety Disclosure

Not applicable.

PART III

Item 17. Financial Statements

Not applicable.

Item 18. Financial Statements

(a)(1) The following financial statements are included in this Annual Report on Form 20-F:

	Page
Report of Independent Registered Public Accounting Firm	F-2
Consolidated Balance Sheets as of December 31, 2017 and 2018	F-4
Consolidated Statements of Operations for the Years Ended December 31, 2016, 2017 and 2018	F-5
Consolidated Statements of Comprehensive Income (Loss) for the Years Ended December 31, 2016, 2017 and 2018	F-6
Consolidated Statements of Changes in Shareholders' Deficit for the Years Ended December 31, 2016, 2017 and 2018	F-7
Consolidated Statements of Cash Flows for the Years Ended December 31, 2016, 2017 and 2018	F-8
Notes to Consolidated Financial Statements	F-10

(a)(2) The following Financial Statement schedule is included in this Annual Report on Form 20-F:

Schedule II—Valuation and Qualifying Accounts for the Years Ended December 31, 2016, 2017 and 2018	F-53
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Item 19. Exhibits

The following exhibits are filed as part of this Annual Report:

EXHIBIT INDEX

Exhibit No.	Document Description
1.1	Consolidated Articles of Incorporation of Intelsat S.A., as amended on June 19, 2018.*
2.1	Indenture for Intelsat (Luxembourg) S.A.'s 6 3/4% Senior Notes due 2018, 7 3/4% Senior Notes due 2021 and 8 1/8% Senior Notes due 2023, dated as of April 5, 2013, by and among Intelsat (Luxembourg) S.A., as Issuer, Intelsat S.A., as Parent Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 of Intelsat Investments S.A.'s Current Report on Form 8-K, File No. 000-50262, filed on April 5, 2013).
2.2	First Supplemental Indenture for Intelsat (Luxembourg) S.A.'s 6 3/4% Senior Notes due 2018, 7 3/4% Senior Notes due 2021 and 8 1/8% Senior Notes due 2023, dated as of May 20, 2013, by and among Intelsat S.A., Intelsat Investment Holdings S.à r.l., Intelsat Holdings S.A., each as a Guarantor, Intelsat Jackson Holdings S.A., as Issuer, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 2.32 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 001-35878, filed on February 20, 2014).
2.3	Indenture for Intelsat Jackson Holdings S.A.'s 5 1/2% Senior Notes due 2023, dated as of June 5, 2013, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat S.A., Intelsat Investment Holdings S.à r.l., Intelsat Holdings S.A., Intelsat Investments S.A., Intelsat (Luxembourg) S.A., each as a Parent Guarantor, the subsidiary guarantors named therein and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 99.1 of Intelsat S.A.'s Current Report on Form 6-K, File No. 001-35878, filed on June 5, 2013).
2.4	First Supplemental Indenture for Intelsat Jackson Holdings S.A.'s 5 1/2% Senior Notes due 2023, dated as of June 28, 2013, by and among Intelsat Finance Bermuda Ltd., as guarantor, Intelsat Jackson Holdings S.A., as Issuer, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 2.35 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 001-35878, filed on February 20, 2014).
2.5	Second Supplemental Indenture for Intelsat Jackson Holdings S.A.'s 5 1/2% Senior Notes due 2023, dated as of November 25, 2015, by and among Intelsat Ireland Operations Limited, as guarantor, Intelsat Jackson Holdings S.A., as Issuer, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 2.25 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 001-35878, filed on March 8, 2016).
2.6	Third Supplemental Indenture for Intelsat Jackson Holdings S.A.'s 5 1/2% Senior Notes due 2023, dated as of December 22, 2016, by and among Intelsat Connect Finance S.A., as New Guarantor, Intelsat Jackson Holdings S.A., as Issuer, and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 2.25 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 000-35878, filed on February 28, 2017, as amended).
2.7	Indenture for Intelsat Jackson Holdings S.A.'s 8% Senior Secured Notes due 2024, dated as of March 29, 2016, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat (Luxembourg) S.A. as Parent Guarantor, the subsidiary guarantors named therein and Wilmington Trust, National Association, as Trustee (including the form of the 8% Notes) (incorporated by reference to Exhibit 99.1 of Intelsat S.A.'s Current Report on Form 6-K, File No. 001-35878, filed on March 29, 2016).
2.8	First Supplemental Indenture for Intelsat Jackson Holdings S.A.'s 8% Senior Secured Notes due 2024, dated as of December 22, 2016, by and among Intelsat (Luxembourg) S.A., as Released Guarantor, Intelsat Connect Finance S.A., as New Guarantor, Intelsat Jackson Holdings S.A., as Issuer, and Wilmington Trust, National Association, as Trustee (incorporated by reference to Exhibit 2.27 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 000-35878, filed on February 28, 2017, as amended).
2.9	Indenture for Intelsat Jackson Holdings S.A.'s 9 1/2% Senior Secured Notes due 2022, dated as of June 30, 2016, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat (Luxembourg) S.A. as Parent Guarantor, the subsidiary guarantors named therein and Wilmington Trust, National Association, as Trustee (including the form of the 9 1/2% Notes) (incorporated by reference to Exhibit 99.1 of Intelsat S.A.'s Current Report on Form 6-K, File No. 001-35878, filed on July 1, 2016).
2.10	First Supplemental Indenture for Intelsat Jackson Holdings S.A.'s 9 1/2% Senior Secured Notes due 2022, dated as of December 22, 2016, by and among Intelsat (Luxembourg) S.A., as Released Guarantor, Intelsat Connect Finance S.A., as New Guarantor, Intelsat Jackson Holdings S.A., as Issuer, and Wilmington Trust, National Association, as Trustee (incorporated by reference to Exhibit 2.29 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 000-35878, filed on February 28, 2017, as amended).
2.11	Indenture for Intelsat Jackson Holdings S.A.'s 9 3/4% Senior Notes due 2025, dated as of July 5, 2017, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat S.A., Intelsat Investment Holdings S.à r.l., Intelsat Holdings S.A., Intelsat Investments S.A., Intelsat (Luxembourg) S.A. and Intelsat Connect Finance S.A., each as a Parent Guarantor, the subsidiary guarantors named therein and U.S. Bank, National Association, as Trustee (incorporated by reference to Exhibit 99.1 of Intelsat S.A.'s Current Report on Form 6-K, File No. 001-35878, filed on July 5, 2017).
2.12	Indenture for Intelsat Connect Finance S.A.'s 9 1/2% Senior Notes due 2023, dated as of August 16, 2018, by and among Intelsat Connect Finance S.A., as Issuer, Intelsat Envision Holdings LLC, Intelsat (Luxembourg) S.A., as Parent Guarantor and U.S. Bank, National Association, as Trustee (including the form of the 9 1/2% Notes) (incorporated by reference to Exhibit 99.1 of Intelsat S.A.'s Current Report on Form 6-K, File No. 001-35878, filed on August 16, 2018).
2.13	Indenture for Intelsat (Luxembourg) S.A.'s 12 1/2% Senior Notes due 2024, dated as of January 6, 2017, by and between Intelsat (Luxembourg) S.A., as Issuer and U.S. Bank, National Association, as Trustee (including the form of the 12 1/2% Notes) (incorporated by reference to Exhibit 99.1 of Intelsat S.A.'s Current Report on Form 6-K, File No. 001-35878, filed on January 6, 2017).
2.14	Indenture for Intelsat S.A.'s 4½% Convertible Senior Notes due 2025, dated as of June 18, 2018, by and between Intelsat S.A., as Issuer, Intelsat Envision Holdings LLC, as Guarantor and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 99.1 of Intelsat S.A.'s Current Report on Form 6-K, File No. 001-35878, filed on June 18, 2018).
2.15	Indenture for Intelsat Jackson Holdings S.A.'s 8½% Senior Notes due 2024, dated as of September 19, 2018, by and between Intelsat Jackson Holdings S.A., as Issuer, Intelsat S.A., Intelsat Investment Holdings S.à r.l., Intelsat Holdings S.A., Intelsat Investments S.A., Intelsat (Luxembourg) S.A. and Intelsat Connect Finance S.A., each as a Parent Guarantor, the subsidiary guarantors named therein and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 99.1 to Intelsat S.A.'s Current Report on Form 6-K, File No. 001-35878, filed September 19, 2018).

Exhibit No.	Document Description
2.16	First Supplemental Indenture for Intelsat Jackson Holdings S.A.'s 9¾% Senior Notes due 2025, dated as of June 29, 2018, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat Genesis Inc., as New Guarantor, and U.S. Bank National Association, as Trustee.*
2.17	Second Supplemental Indenture for Intelsat Jackson Holdings S.A.'s 9¾% Senior Notes due 2025, dated as of July 2, 2018, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat Alliance LP and Intelsat Genesis GP LLC, collectively as New Guarantors, and U.S. Bank National Association, as Trustee.*
2.18	Second Supplemental Indenture for Intelsat Jackson Holdings S.A.'s 9¾% Senior Secured Notes due 2022, dated as of June 29, 2018, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat Genesis Inc., as New Guarantor, and U.S. Bank National Association, as Trustee.*
2.19	Third Supplemental Indenture for Intelsat Jackson Holdings S.A.'s 9¾% Senior Secured Notes due 2022, dated as of July 2, 2018, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat Alliance LP, Intelsat Genesis GP LLC and Intelsat Ventures S.à r.l., collectively as New Guarantors, and U.S. Bank National Association, as Trustee.*
2.20	Second Supplemental Indenture for Intelsat Jackson Holdings S.A.'s 8% Senior Secured Notes due 2024, dated as of June 29, 2018, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat Genesis Inc., as New Guarantor, and Wilmington Trust, National Association, as Trustee.*
2.21	Third Supplemental Indenture for Intelsat Jackson Holdings S.A.'s 8% Senior Secured Notes due 2024, dated as of July 2, 2018, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat Alliance LP, Intelsat Genesis GP LLC and Intelsat Ventures S.à r.l., collectively as New Guarantors, and Wilmington Trust, National Association, as Trustee.*
2.22	Fourth Supplemental Indenture for Intelsat Jackson Holdings S.A.'s 5½% Senior Notes due 2023, dated as of June 29, 2018, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat Genesis Inc., as New Guarantor, and U.S. Bank National Association, as Trustee.*
2.23	Fifth Supplemental Indenture for Intelsat Jackson Holdings S.A.'s 5½% Senior Notes due 2023, dated as of July 2, 2018, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat Alliance LP, Intelsat Genesis GP LLC and Intelsat Ventures S.à r.l., collectively as New Guarantors, and U.S. Bank National Association, as Trustee.*
2.24	Eighth Supplemental Indenture for Intelsat Jackson Holdings S.A.'s 7¼% Senior Notes due 2021, dated as of June 29, 2018, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat Genesis Inc., as New Guarantor, and U.S. Bank National Association, as Trustee.*
2.25	Ninth Supplemental Indenture for Intelsat Jackson Holdings S.A.'s 7¼% Senior Notes due 2021, dated as of July 2, 2018, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat Alliance LP, Intelsat Genesis GP LLC and Intelsat Ventures S.à r.l., collectively as New Guarantors, and U.S. Bank National Association, as Trustee.*
2.26	Eleventh Supplemental Indenture for Intelsat Jackson Holdings S.A.'s 7¼% Senior Notes due 2020, dated as of June 29, 2018, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat Genesis Inc., as New Guarantor, and U.S. Bank National Association, as Trustee.*
2.27	Twelfth Supplemental Indenture for Intelsat Jackson Holdings S.A.'s 7¼% Senior Notes due 2020, dated as of July 2, 2018, by and among Intelsat Jackson Holdings S.A., as Issuer, Intelsat Alliance LP, Intelsat Genesis GP LLC and Intelsat Ventures S.à r.l., collectively as New Guarantors, and U.S. Bank National Association, as Trustee.*
3.1	Governance Agreement, dated as of December 18, 2018, by and among Intelsat S.A. and the shareholders of Intelsat S.A. party thereto.*
4.1	Credit Agreement, dated as of January 12, 2011, by and among Intelsat Jackson, as the Borrower, Intelsat (Luxembourg) S.A., the several lenders from time to time parties thereto, Bank of America, N.A., as Administrative Agent, Credit Suisse Securities (USA) LLC (“Credit Suisse”) and J.P. Morgan Securities LLC (“J.P. Morgan”), as Co-Syndication Agents, Barclays Bank Plc and Morgan Stanley Senior Funding, Inc., as Co-Documentation Agents, Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”), Credit Suisse and J.P. Morgan, as Joint Lead Arrangers, Merrill Lynch, Credit Suisse, J.P. Morgan, Barclays Capital, Deutsche Bank Securities Inc., Morgan Stanley & Co. Incorporated and UBS Securities LLC, as Joint Bookrunners, and HSBC Bank USA, N.A., Goldman Sachs Partners LLC and RBC Capital Markets, as Co-Managers (incorporated by reference to Exhibit 10.1 of Intelsat Investments S.A.'s Current Report on Form 8-K, File No. 000-50262, filed on January 19, 2011).
4.2	Guarantee, dated as of January 12, 2011, made among each of the subsidiaries of Intelsat Jackson Holdings S.A. listed on Annex A thereto and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.2 of Intelsat Investments S.A.'s Current Report on Form 8-K, File No. 000-50262, filed on January 19, 2011).
4.3	Luxembourg Shares and Beneficiary Certificates Pledge Agreement, dated as of January 12, 2011, by and among Intelsat (Luxembourg) S.A., Intelsat Jackson Holdings S.A., Intelsat Intermediate Holding Company S.A., Intelsat Phoenix Holdings S.A., Intelsat Subsidiary Holding Company S.A., Intelsat (Gibraltar) Limited, as Pledgors, and Wilmington Trust FSB, as Pledgee (incorporated by reference to Exhibit 10.3 of Intelsat Investments S.A.'s Current Report on Form 8-K, File No. 000-50262, filed on January 19, 2011).
4.4	Security and Pledge Agreement, dated as of January 12, 2011, by and among Intelsat Jackson Holdings S.A., each of the subsidiaries of Intelsat Jackson Holdings S.A. listed on Annex A thereto, Bank of America, N.A., as Administrative Agent, and Wilmington Trust FSB, as Collateral Trustee (incorporated by reference to Exhibit 10.4 of Intelsat Investments S.A.'s Current Report on Form 8-K, File No. 000-50262, filed on January 19, 2011).
4.5	Collateral Agency and Intercreditor Agreement, dated as of January 12, 2011 by and among Intelsat (Luxembourg) S.A., Intelsat Jackson Holdings S.A., the other grantors from time to time party thereto, Bank of America, N.A., as Administrative Agent under the Existing Credit Agreement, each additional First Lien Representative from time to time a party thereto, each Second Lien Representative from time to time a party thereto and Wilmington Trust FSB, as Collateral Trustee (incorporated by reference to Exhibit 10.5 of Intelsat Investments S.A.'s Current Report on Form 8-K, File No. 000-50262, filed on January 19, 2011).

Exhibit No.	Document Description
4.6	Amendment and Joinder Agreement, dated as of October 3, 2012, by and among Intelsat (Luxembourg) S.A., Intelsat Jackson Holdings S.A., the Subsidiary Guarantors party thereto, Bank of America, N.A., as Administrative Agent for the Lenders and collateral agent for the Secured Parties, the Lenders party thereto and the Tranche B-1 Term Loan Lenders party thereto, to the Credit Agreement, dated as of January 12, 2011 (incorporated by reference to Exhibit 10.1 of Intelsat Investments S.A.'s Current Report on Form 8-K, File No. 000-50262, filed on October 3, 2012).
4.7	Amendment No. 2 and Joinder Agreement, dated as of November 27, 2013, by and among Intelsat (Luxembourg) S.A., Intelsat Jackson Holdings S.A., the Subsidiary Guarantors party hereto, Bank of America, N.A., as Administrative Agent for the lenders and collateral agent for the secured parties thereto, the lenders party thereto and the Tranche B-2 Term Loan Lenders (as defined therein) party thereto, to the Credit Agreement, dated as of January 12, 2011 (as amended by the Amendment and Joinder Agreement, dated as of October 3, 2012) (incorporated by reference to Exhibit 4.7 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 001-35878, filed on February 20, 2014).
4.8	Amendment No. 3 and Joinder Agreement, dated as of November 27, 2017, by and among Intelsat Connect Finance S.A., Intelsat Jackson Holdings S.A., the Subsidiary Guarantors party hereto, Bank of America, N.A., as Administrative Agent for the lenders and collateral agent for the secured parties thereto, the lenders party thereto and the Tranche B-3 Term Loan Lenders (as defined therein) party thereto, to the Credit Agreement, dated as of January 12, 2011 (as amended by the Amendment and Joinder Agreement, dated as of October 3, 2012, and the Amendment No. 2 and Joinder Agreement, dated as of November 27, 2013) (incorporated by reference to Exhibit 99.1 of Intelsat S.A.'s Current Report on Form 6-K, File No. 001-35878, filed on November 27, 2017).
4.9	Amendment No. 4 and Joinder Agreement, dated as of December 12, 2017, by and among Intelsat Connect Finance S.A., Intelsat Jackson Holdings S.A., the Subsidiary Guarantors party hereto, Bank of America, N.A., as Administrative Agent for the lenders and collateral agent for the secured parties thereto, the lenders party thereto and the Tranche B-3 Term Loan Lenders (as defined therein) party thereto, to the Credit Agreement, dated as of January 12, 2011 (as amended by the Amendment and Joinder Agreement, dated as of October 3, 2012, the Amendment No. 2 and Joinder Agreement, dated as of November 27, 2013, and the Amendment No. 3 and Joinder Agreement, dated as of November 27, 2017) (incorporated by reference to Exhibit 99.1 of Intelsat S.A.'s Current Report on Form 6-K, File No. 001-35878, filed on December 12, 2017).
4.10	Amendment No. 5 and Joinder Agreement, dated as of January 2, 2018, by and among Intelsat Connect Finance S.A., Intelsat Jackson Holdings S.A., the Subsidiary Guarantors party hereto, Bank of America, N.A., as Administrative Agent for the lenders and collateral agent for the secured parties thereto, the lenders party thereto and the Tranche B-4 Term Loan Lenders and the Tranche B-5 Term Loan Lenders (as defined therein) party thereto, to the Credit Agreement, dated as of January 12, 2011 (as amended by the Amendment and Joinder Agreement, dated as of October 3, 2012, the Amendment No. 2 and Joinder Agreement, dated as of November 27, 2013, the Amendment No. 3 and Joinder Agreement, dated as of November 27, 2017, and the Amendment No. 4 and Joinder Agreement, dated as of December 12, 2017) (incorporated by reference to Exhibit 99.1 of Intelsat S.A.'s Current Report on Form 6-K, File No. 001-35878, filed on January 2, 2018).
4.11	Amendment No. 6 and Joinder Agreement, dated as of November 8, 2018, by and among Intelsat Connect Finance S.A., Intelsat Jackson Holdings S.A., the Subsidiary Guarantors party hereto, Bank of America, N.A., as Administrative Agent for the lenders and collateral agent for the secured parties thereto, the lenders party thereto, to the Credit Agreement, dated as of January 12, 2011 (as amended by the Amendment and Joinder Agreement, dated as of October 3, 2012, the Amendment No. 2 and Joinder Agreement, dated as of November 27, 2013, the Amendment No. 3 and Joinder Agreement, dated as of November 27, 2017, the Amendment No. 4 and Joinder Agreement, dated as of December 12, 2017, and the Amendment No. 5 and Joinder Agreement, dated January 2, 2018) (incorporated by reference to Exhibit 99.1 of Intelsat S.A.'s Current Report on Form 6-K, File No. 001-35878, November 8, 2018).
4.12	Severance Agreement, dated as of May 8, 2009, by and between Intelsat Global, Ltd. and Stephen Spengler (incorporated by reference to Exhibit 10.27 of Intelsat, Ltd.'s Current Report on Form 8-K, File No. 000-50262, filed on May 12, 2009).
4.13	Intelsat S.A.'s Amended and Restated 2008 Share Incentive Plan (incorporated by reference to Exhibit 4.15 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 001-35878, filed on February 20, 2014).
4.14	Amendment, dated as of March 30, 2012, to the employment letter agreement, dated as of May 8, 2009, by and between Intelsat Global and Stephen Spengler (incorporated by reference to Exhibit 10.10 of Intelsat Investments S.A.'s Current Report on Form 8-K, File No. 000-50262, filed on April 5, 2012).
4.15	Shareholders Agreement, dated as of December 18, 2018, by and among Intelsat S.A. and the shareholders party thereto*.
4.16	Intelsat S.A.'s 2013 Equity Incentive Plan (incorporated by reference to Exhibit 4.39 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 001-35878, filed on February 20, 2014).
4.17	Intelsat S.A.'s Bonus Plan (incorporated by reference to Exhibit 4.40 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 001-35878, filed on February 20, 2014).
4.18	Supplement No. 2 to Guarantee, dated as of July 31, 2012, by and between Intelsat Luxembourg Investment S.à r.l. and Bank of America, N.A. (incorporated by reference to Exhibit 10.2 of Intelsat Investments S.A.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, File No. 000-50262, filed on August 1, 2012).
4.19	Agreement for the Adherence by Intelsat Luxembourg Investment S.à r.l. and Intelsat Corporation to the Luxembourg Shares and Beneficiary Certificates Pledge Agreement, dated as of January 12, 2011, and for the Amendment of the Pledge Agreement, dated as of July 31, 2012, by and among the Pledgors listed therein and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee (incorporated by reference to Exhibit 10.3 of Intelsat Investments S.A.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, File No. 000-50262, filed on August 1, 2012).
4.20	Supplement No. 2 to Security and Pledge Agreement, dated as of July 31, 2012, by and among Intelsat Luxembourg Investment S.à r.l., as New Guarantor, Bank of America, N.A., as Administrative Agent and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee (incorporated by reference to Exhibit 10.4 of Intelsat Investments S.A.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, File No. 000-50262, filed on August 1, 2012).

Exhibit No.	Document Description
4.21	Collateral Agency and Intercreditor Joinder, dated as of July 31, 2012, by and between Intelsat Luxembourg Investment S.à r.l. and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee (incorporated by reference to Exhibit 10.5 of Intelsat Investments S.A.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, File No. 000-50262, filed on August 1, 2012).
4.22	Form of Indemnification Agreement between Intelsat S.A. and its directors and officers (previously filed as Exhibit 10.64 to Amendment No. 2 to Intelsat Global Holdings S.A.'s Registration Statement on Form F-1, File No. 333-181527, filed on August 8, 2012).
4.23	Supplement No. 3 to Guarantee, dated as of January 31, 2013, to the Guarantee dated as of January 12, 2011, by and among Intelsat Align S.à r.l. and Intelsat Finance Nevada LLC, as New Guarantors, and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.84 of Intelsat Investments S.A.'s Annual Report on Form 10-K, File No. 000-50262, filed on February 28, 2013).
4.24	Agreement for the Adherence by Intelsat Align S.à r.l. to the Luxembourg Shares and Beneficiary Certificates Pledge Agreement, dated as of January 12, 2011, and for the Amendment of the Pledge Agreement, dated as of January 31, 2013, by and among the Pledgors listed therein and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee (incorporated by reference to Exhibit 10.85 of Intelsat Investments S.A.'s Annual Report on Form 10-K, File No. 000-50262, filed on February 28, 2013).
4.25	Supplement No. 3 to Security and Pledge Agreement, dated as of January 31, 2013, to the Security and Pledge Agreement dated as of January 12, 2011, by and among Intelsat Align S.à r.l. and Intelsat Finance Nevada LLC, as New Guarantors, Bank of America, N.A., as Administrative Agent and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee (incorporated by reference to Exhibit 10.86 of Intelsat Investments S.A.'s Annual Report on Form 10-K, File No. 000-50262, filed on February 28, 2013).
4.26	Collateral Agency and Intercreditor Joinder, dated as of January 31, 2013, by and among Intelsat Align S.à r.l. and Intelsat Finance Nevada LLC, as new Grantors, and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee (incorporated by reference to Exhibit 10.87 of Intelsat Investments S.A.'s Annual Report on Form 10-K, File No. 000-50262, filed on February 28, 2013).
4.27	Collateral Agency and Intercreditor Joinder, dated as of November 25, 2015, by and among Intelsat Ireland Operations Limited, as new Grantor, and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee (incorporated by reference to Exhibit 4.46 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 001-35878, filed on March 8, 2016).
4.28	Guarantee, dated as of January 31, 2013, made among Intelsat Align S.à r.l. and Intelsat Finance Nevada LLC, as New Guarantors, and Credit Suisse AG, Cayman Islands Branch (f/k/a Credit Suisse, Cayman Island Branch), as Administrative Agent (incorporated by reference to Exhibit 10.88 of Intelsat Investments S.A.'s Annual Report on Form 10-K, File No. 000-50262, filed on February 28, 2013).
4.29	Guarantee, dated as of January 31, 2013, made among Intelsat Align S.à r.l. and Intelsat Finance Nevada LLC, as New Guarantors, and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.89 of Intelsat Investments S.A.'s Annual Report on Form 10-K, File No. 000-50262, filed on February 28, 2013).
4.30	Supplement No. 5 to Guarantee, dated as of November 25, 2015, to the Guarantee dated as of January 12, 2011, by and between Intelsat Ireland Operations Limited, as New Guarantor, and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 4.49 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 001-35878, filed on March 8, 2016).
4.31	Employment Agreement, dated as of March 18, 2013, by and between Intelsat Corporation and Stephen Spengler (incorporated by reference to Exhibit 10.77 to Amendment No. 7 to Intelsat Global Holdings S.A.'s Registration Statement on Form F-1, File No. 333-181527, filed on March 20, 2013).
4.32	Employment Agreement, dated as of March 18, 2013, by and among Intelsat Global Holdings S.A., Intelsat S.A. and Michelle Bryan (incorporated by reference to Exhibit 10.78 to Amendment No. 7 to Intelsat Global Holdings S.A.'s Registration Statement on Form F-1, File No. 333-181527, filed on March 20, 2013).
4.33	Second Amendment, dated as of December 11, 2014, to Employment Agreement, dated as of March 18, 2013, by and between Stephen Spengler and Intelsat Corporation (incorporated by reference to Exhibit 4.63 to Intelsat S.A.'s Annual Report on Form 20-F, File No. 001-35878, filed on February 18, 2015).
4.34	Amendment to Intelsat S.A.'s 2013 Equity Incentive Plan, effective as of October 23, 2014 (incorporated by reference to Exhibit 4.64 to Intelsat S.A.'s Annual Report on Form 20-F, File No. 001-35878, filed on February 8, 2015).
4.35	Second Amendment to Intelsat S.A.'s 2013 Equity Incentive Plan, effective as of June 16, 2016 (incorporated by reference to Exhibit 10.3 of Intelsat S.A.'s Registration Statement on Form S-8, File No. 333-212417, filed on July 6, 2016).
4.36	Collateral Agency and Intercreditor Joinder, dated as of July 31, 2012, between Intelsat Luxembourg Investment S.a r.l. and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee (incorporated by reference to Exhibit 10.5 of Intelsat Investments S.A.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, File No. 000-50262, filed on August 1, 2012).
4.37	Collateral Agency and Intercreditor Joinder, dated as of March 29, 2016, by and among Intelsat (Luxembourg) S.A., Intelsat Jackson Holdings S.A., the other grantors from time to time party thereto, Bank of America, N.A., as Administrative Agent under the Existing Credit Agreement, each additional First Lien Representative from time to time a party thereto, each Second Lien Representative from time to time a party thereto and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee (incorporated by reference to Exhibit 4.52 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 000-35878, filed on February 28, 2017, as amended).

Exhibit No.	Document Description
4.38	Collateral Agency and Intercreditor Joinder, dated as of June 30, 2016, by and among Intelsat (Luxembourg) S.A., Intelsat Jackson Holdings S.A., the other grantors from time to time party thereto, Bank of America, N.A., as Administrative Agent under the Existing Credit Agreement, each additional First Lien Representative from time to time a party thereto, each Second Lien Representative from time to time a party thereto and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee (incorporated by reference to Exhibit 4.53 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 000-35878, filed on February 28, 2017, as amended).
4.39	Amendment Agreement to the Luxembourg Shares and Beneficiary Certificates Pledge Agreement, dated as of March 23, 2016, by and among Intelsat (Luxembourg) S.A., Intelsat Jackson Holdings S.A., Intelsat Operations S.A., and Intelsat Corporation, as Pledgors, and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee or Pledgee (incorporated by reference to Exhibit 4.54 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 000-35878, filed on February 28, 2017, as amended).
4.40	Confirmation and Amendment Agreement to the Luxembourg Claims Pledge Agreement, dated as of October 24, 2016, by and among Intelsat Jackson Holdings S.A., Intelsat Operations S.A. and Intelsat Align S.à r.l., as Pledgors, and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee or Pledgee (incorporated by reference to Exhibit 4.55 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 000-35878, filed on February 28, 2017, as amended).
4.41	Confirmation and Amendment Agreement to the Luxembourg Shares and Beneficiary Certificates Pledge Agreement, dated as of October 24, 2016, by and among Intelsat (Luxembourg) S.A., Intelsat Jackson Holdings S.A., Intelsat Operations S.A., and Intelsat Corporation, as Pledgors, and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee or Pledgee (incorporated by reference to Exhibit 4.56 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 000-35878, filed on February 28, 2017, as amended).
4.42	Collateral Agency and Intercreditor Joinder, dated as of December 22, 2016, by and among Intelsat Connect Finance S.A., Intelsat (Luxembourg) S.A., Intelsat Jackson Holdings S.A., the other grantors from time to time party thereto, Bank of America, N.A., as Administrative Agent under the Existing Credit Agreement, each additional First Lien Representative from time to time a party thereto, each Second Lien Representative from time to time a party thereto and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee (incorporated by reference to Exhibit 4.57 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 000-35878, filed on February 28, 2017, as amended).
4.43	Joinder No. 1 to Credit Agreement, dated as of December 22, 2016, by and between Intelsat Connect Finance S.A. and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 4.58 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 000-35878, filed on February 28, 2017, as amended).
4.44	Release of Intelsat (Luxembourg) S.A. from Credit Agreement, dated as of December 22, 2016, by Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 4.59 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 000-35878, filed on February 28, 2017, as amended).
4.45	Confirmation and Amendment Agreement to the Luxembourg Claims Pledge Agreement, dated as of December 22, 2016, by and among Intelsat Jackson Holdings S.A., Intelsat Operations S.A., Intelsat Align S.à r.l. and Intelsat Connect Finance S.A. as Pledgors, and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee or Pledgee (incorporated by reference to Exhibit 4.60 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 000-35878, filed on February 28, 2017, as amended).
4.46	Amendment Agreement to the Luxembourg Shares and Beneficiary Certificates Pledge Agreement, dated as of December 22, 2016, by and among Intelsat (Luxembourg) S.A., Intelsat Jackson Holdings S.A., Intelsat Operations S.A., Intelsat Connect Finance S.A. and Intelsat Corporation, as Pledgors, and Wilmington Trust, National Association (as successor by merger to Wilmington Trust FSB), as Collateral Trustee or Pledgee (incorporated by reference to Exhibit 4.61 of Intelsat S.A.'s Annual Report on Form 20-F, File No. 000-35878, filed on February 28, 2017, as amended).
8.1	List of significant subsidiaries of Intelsat S.A.*
12.1	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer.*
12.2	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer.*
13.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
13.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
15.1	Consent of KPMG LLP*
101.	Interactive Data Files
101.INS	XBRL Instance Document. **
101.SCH	XBRL Taxonomy Extension Schema Document. **
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document. **
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document. **
101.LAB	XBRL Taxonomy Extension Label Linkbase Document. **
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document. **

* Filed herewith.

** Attached as Exhibit 101 to this Annual Report on Form 20-F are the following formatted in Extensible Business Reporting Language (“XBRL”): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Loss, (iv) Consolidated Statements of Changes in Shareholders’ Deficit, (v) Consolidated Statements of Cash Flows and (vi) Notes to Consolidated Financial Statements.

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

INTELSAT S.A.

Date: February 20, 2019

By _____ /s/ STEPHEN SPENGLER

Stephen Spengler

Chief Executive Officer

Date: February 20, 2019

By _____ /s/ JACQUES KERREST

Jacques Kerrest

Executive Vice President and Chief Financial Officer

Intelsat S.A.
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Intelsat S.A.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Intelsat S.A. and subsidiaries (the Company) as of December 31, 2017 and 2018, the related consolidated statements of operations, comprehensive income (loss), changes in shareholders' deficit, and cash flows for each of the years in the three-year period ended December 31, 2018, and the related notes and financial statement Schedule II - Valuation and Qualifying Accounts (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2018, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2018, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018 based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company has changed its method of accounting for revenue effective January 1, 2018 due to the adoption of Accounting Standards Codification No. 606, *Revenue from Contracts with Customers*.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Part II, Item 15b Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

We have served as the Company's auditor since 2002.

McLean, Virginia
February 20, 2019

INTELSAT S.A.

CONSOLIDATED BALANCE SHEETS

(in thousands, except per share amounts)

	December 31, 2017	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 525,215	\$ 485,120
Restricted cash	16,176	22,037
Receivables, net of allowances of \$29,669 in 2017 and \$28,542 in 2018	221,223	271,393
Contract assets	—	45,034
Prepaid expenses and other current assets	56,862	24,075
Total current assets	819,476	847,659
Satellites and other property and equipment, net	5,923,619	5,511,702
Goodwill	2,620,627	2,620,627
Non-amortizable intangible assets	2,452,900	2,452,900
Amortizable intangible assets, net	349,584	311,103
Contract assets, net of current portion	—	96,108
Other assets	443,830	401,414
Total assets	\$ 12,610,036	\$ 12,241,513
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 116,396	\$ 108,101
Taxes payable	12,007	5,679
Employee related liabilities	29,328	29,696
Accrued interest payable	263,207	284,649
Current portion of long-term debt	96,572	—
Contract liabilities	—	137,746
Deferred satellite performance incentives	25,780	35,261
Deferred revenue	149,749	—
Other current liabilities	47,287	59,080
Total current liabilities	740,326	660,212
Long-term debt, net of current portion	14,112,086	14,028,352
Contract liabilities, net of current portion	—	1,131,319
Deferred satellite performance incentives, net of current portion	215,352	210,346
Deferred revenue, net of current portion	794,707	—
Deferred income taxes	48,434	82,488
Accrued retirement benefits	191,079	133,735
Other long-term liabilities	296,616	77,670
Shareholders' deficit:		
Common shares; nominal value \$0.01 per share	1,196	1,380
Paid-in capital	2,173,367	2,551,471
Accumulated deficit	(5,894,659)	(6,606,426)
Accumulated other comprehensive loss	(87,774)	(43,430)
Total Intelsat S.A. shareholders' deficit	(3,807,870)	(4,097,005)
Noncontrolling interest	19,306	14,396
Total liabilities and shareholders' deficit	\$ 12,610,036	\$ 12,241,513

See accompanying notes to consolidated financial statements.

INTELSAT S.A.

CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018
Revenue	\$ 2,188,047	\$ 2,148,612	\$ 2,161,190
Operating expenses:			
Direct costs of revenue (excluding depreciation and amortization)	342,634	324,232	330,874
Selling, general and administrative	232,537	205,475	200,857
Depreciation and amortization	694,891	707,824	687,589
Total operating expenses	1,270,062	1,237,531	1,219,320
Income from operations	917,985	911,081	941,870
Interest expense, net	938,501	1,020,770	1,212,374
Gain (loss) on early extinguishment of debt	1,030,092	(4,109)	(199,658)
Other income, net	522	10,114	4,541
Income (loss) before income taxes	1,010,098	(103,684)	(465,621)
Provision for income taxes	15,986	71,130	130,069
Net income (loss)	994,112	(174,814)	(595,690)
Net income attributable to noncontrolling interest	(3,915)	(3,914)	(3,915)
Net income (loss) attributable to Intelsat S.A.	\$ 990,197	\$ (178,728)	\$ (599,605)
Net income (loss) per common share attributable to Intelsat S.A.:			
Basic	\$ 8.65	\$ (1.50)	\$ (4.63)
Diluted	\$ 8.36	\$ (1.50)	\$ (4.63)

See accompanying notes to consolidated financial statements.

INTELSAT S.A.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018
Net income (loss)	\$ 994,112	\$ (174,814)	\$ (595,690)
Other comprehensive income (loss), net of tax:			
Defined benefit retirement plans:			
Reclassification adjustment for amortization of unrecognized prior service credits, net of tax included in other income, net	(5)	21	(839)
Reclassification adjustment for amortization of unrecognized actuarial loss, net of tax included in other income, net	2,223	2,074	4,064
Actuarial gain (loss) arising during the year, net of tax	(177)	(13,896)	2,960
Benefit plan amendment, net of tax of \$0.7 million	—	—	38,510
Marketable securities:			
Unrealized gains on investments, net of tax	285	567	—
Reclassification adjustment for realized gain on investments, net of tax	(192)	(235)	—
Reclassification adjustment for pension assets' gains, net of tax included in other income, net	—	—	(351)
Other comprehensive income (loss)	2,134	(11,469)	44,344
Comprehensive income (loss)	996,246	(186,283)	(551,346)
Comprehensive income attributable to noncontrolling interest	(3,915)	(3,914)	(3,915)
Comprehensive income (loss) attributable to Intelsat S.A.	\$ 992,331	\$ (190,197)	\$ (555,261)

See accompanying notes to consolidated financial statements.

INTELSAT S.A.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
(in thousands)

	Preferred		Common		Paid-in Capital	Accumulated Deficit	Accumulated	Total	Noncontrolling Interest
	Shares (in millions)	Amount	Shares (in millions)	Amount			Other Comprehensive Loss	Intelsat S.A. Shareholders' Deficit	
Balance at December 31, 2015	3.5	\$ 35	107.6	\$ 1,076	\$ 2,133,891	\$ (6,706,128)	\$ (78,439)	\$ (4,649,565)	\$ 29,212
Net income	—	—	—	—	—	990,197	—	990,197	3,915
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	—	(8,980)
Share-based compensation	—	—	0.8	8	23,081	—	—	23,089	—
Preferred shares conversion	(3.5)	(35)	9.6	96	(61)	—	—	—	—
Postretirement/pension liability adjustment, net of tax of \$1.0 million	—	—	—	—	—	—	2,041	2,041	—
Other comprehensive income, net of tax of \$0.2 million	—	—	—	—	—	—	93	93	—
Balance at December 31, 2016	—	\$ —	118.0	\$ 1,180	\$ 2,156,911	\$ (5,715,931)	\$ (76,305)	\$ (3,634,145)	\$ 24,147
Net income (loss)	—	—	—	—	—	(178,728)	—	(178,728)	3,914
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	—	(8,755)
Share-based compensation	—	—	1.6	16	16,456	—	—	16,472	—
Postretirement/pension liability adjustment, net of tax of (\$3.1) million	—	—	—	—	—	—	(11,801)	(11,801)	—
Other comprehensive income, net of tax of \$0.2 million	—	—	—	—	—	—	332	332	—
Balance at December 31, 2017	—	\$ —	119.6	\$ 1,196	\$ 2,173,367	\$ (5,894,659)	\$ (87,774)	\$ (3,807,870)	\$ 19,306
Net income (loss)	—	—	—	—	—	(599,605)	—	(599,605)	3,915
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	—	(8,825)
Share-based compensation	—	—	2.9	29	10,006	—	—	10,035	—
Equity offering and 2025 Convertible Notes offering	—	—	15.5	155	368,098	—	—	368,253	—
Postretirement/pension liability adjustment, net of tax of \$0.6 million	—	—	—	—	—	—	6,185	6,185	—
Benefit plan amendment, net of tax of \$0.7 million	—	—	—	—	—	—	38,510	38,510	—
Other comprehensive income, net of tax of (\$0.2) million	—	—	—	—	—	—	(351)	(351)	—
Adoption of ASU 2014-09 (see Note 2—Significant Accounting Policies)	—	—	—	—	—	(281,741)	—	(281,741)	—
Adoption of ASU 2016-16 (see Note 14—Income Taxes)	—	—	—	—	—	169,579	—	169,579	—
Balance at December 31, 2018	—	\$ —	138.0	\$ 1,380	\$ 2,551,471	\$ (6,606,426)	\$ (43,430)	\$ (4,097,005)	\$ 14,396

See accompanying notes to consolidated financial statements.

INTELSAT S.A.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018
Cash flows from operating activities:			
Net income (loss)	\$ 994,112	\$ (174,814)	\$ (595,690)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	694,891	707,824	687,589
Provision for (benefit from) doubtful accounts	24,591	(4,094)	(836)
Foreign currency transaction (gain) loss	(3,300)	(876)	6,736
Loss on disposal of assets	20	45	46
Share-based compensation	23,222	15,995	6,824
Deferred income taxes	(9,737)	43,931	79,160
Amortization of discount, premium, issuance costs and related costs	24,622	48,696	48,495
(Gain) loss on early extinguishment of debt	(1,030,092)	4,109	199,658
Unrealized (gains) losses on derivative financial instruments	(764)	275	(14,685)
Amortization of actuarial loss and prior service credits for retirement benefits	3,361	3,287	3,823
Other non-cash items	220	(287)	1,178
Changes in operating assets and liabilities:			
Receivables	6,478	(14,333)	(63,814)
Prepaid expenses, contract and other assets	(51,388)	(24,760)	3,708
Accounts payable and accrued liabilities	35,850	(42,337)	7,291
Accrued interest payable	43,347	58,367	21,442
Deferred revenue and contract liabilities	(58,796)	(134,577)	(39,763)
Accrued retirement benefits	(9,385)	(13,422)	(15,902)
Other long-term liabilities	(8,497)	(8,783)	8,913
Net cash provided by operating activities	<u>678,755</u>	<u>464,246</u>	<u>344,173</u>
Cash flows from investing activities:			
Payments for satellites and other property and equipment (including capitalized interest)	(714,570)	(461,627)	(255,696)
Purchase of investments	(4,000)	(25,744)	(19,000)
Capital contribution to unconsolidated affiliate	(12,019)	(30,714)	(48,097)
Proceeds from insurance settlements	—	49,788	20,409
Other proceeds from satellites	—	—	18,750
Net cash used in investing activities	<u>(730,589)</u>	<u>(468,297)</u>	<u>(283,634)</u>
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	1,730,200	1,500,000	4,585,875
Repayments of long-term debt	(791,944)	(1,500,000)	(4,782,451)
Debt issuance costs	(48,900)	(41,237)	(49,436)
Debt modification fees	—	—	(3,954)
Proceeds from stock issuance, net of issuance costs	—	—	224,250
Payment of premium on early extinguishment of debt	(32)	—	(33,890)
Payments on tender, debt exchange and consent	(293,276)	(14)	—
Dividends paid to preferred shareholders	(4,959)	—	—
Other payments for satellites	(18,333)	(35,396)	—
Principal payments on deferred satellite performance incentives	(17,429)	(37,186)	(25,488)
Dividends paid to noncontrolling interest	(8,980)	(8,755)	(8,825)
Proceeds from exercise of employee stock options	—	476	3,211
Other financing activities	—	414	385
Net cash provided by (used in) financing activities	<u>546,347</u>	<u>(121,698)</u>	<u>(90,323)</u>
Effect of exchange rate changes on cash and cash equivalents	(30)	1,116	(4,450)
Net change in cash, cash equivalents and restricted cash	494,483	(124,633)	(34,234)
Cash, cash equivalents and restricted cash, beginning of period	171,541	666,024	541,391
Cash, cash equivalents and restricted cash, end of period	<u>\$ 666,024</u>	<u>\$ 541,391</u>	<u>\$ 507,157</u>

Supplemental cash flow information:						
Interest paid, net of amounts capitalized	\$	870,370	\$	915,627	\$	1,052,885
Income taxes paid, net of refunds		22,687		33,731		57,085
Supplemental disclosure of non-cash investing activities:						
Accrued capital expenditures and payments for satellites	\$	127,008	\$	38,450	\$	28,203
Capitalization of deferred satellite performance incentives		69,909		44,445		28,161
Supplemental disclosure of non-cash financing activities:						
Repayments of long-term debt	\$	1,468,401	\$	—	\$	—
Issuance of long-term debt		(731,884)		—		—
Discount on long-term debt		212,660		—		—
Write-off of debt issuance costs		(9,253)		—		—

See accompanying notes to consolidated financial statements.

INTELSAT S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Background of Company

Intelsat S.A. (the “Company”, “we”, “us” or “our”) provides satellite communications services worldwide through a global communications network of 54 satellites and ground facilities related to the satellite operations and control, and teleport services.

Note 2 Significant Accounting Policies

(a) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Intelsat S.A., its wholly-owned subsidiaries, and variable interest entities (“VIE”) of which we are the primary beneficiary, and are prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). We are the primary beneficiary of one VIE, as more fully described in Note 10—Investments, and accordingly, we include in our consolidated financial statements the assets and liabilities and results of operations of the entity, even though we may not own a majority voting interest. We use the equity method to account for our investments in entities where we exercise significant influence over operating and financial policies but do not retain control under either the voting interest model (generally 20% to 50% ownership interest) or the variable interest model. In 2015, we entered into a joint venture agreement as further described in Note 10—Investments, and the investment is accounted for using the equity method. We have eliminated all significant intercompany accounts and transactions.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, the reported amounts of revenues and expenses during the reporting periods, and the disclosures of contingent liabilities. Accordingly, ultimate results could differ from those estimates.

(c) Revenue Recognition

Revenue from Contracts with Customers

We earn revenue primarily by providing services over satellite transponder capacity to our customers. Our customers generally obtain satellite services from us by placing an order pursuant to one of several master customer service agreements and related service orders. The service agreements specify, among other things, the amount of satellite bandwidth or throughput to be provided, whether service will be non-pre-emptible or pre-emptible and the service term. Most services are full time in nature, with service terms ranging from one year to as long as 16 years. Occasional use services used for video applications can be for much shorter periods, including as small as increments of one hour. Our service agreements offer different service types, including transponder services, managed services, and channel, which are all services that are provided on, or used to provide access to, our global network. We refer to these services as on-network services. Our service agreements also cover services that we procure from third parties and resell, which we refer to as off-network services. These services can include transponder services and other satellite-based transmission services sourced from other operators, often in frequencies not available on our network.

To determine the proper revenue recognition method for contracts, we evaluate whether two or more services should be combined and accounted for as a single performance obligation. Our specific revenue recognition policies are as follows:

Satellite Utilization Charges. The Company’s contracts for satellite utilization services often contain multiple service orders for the provision of capacity on or over different beams, satellites, frequencies, geographies or time periods. Under each separate service order, the Company’s satellite services, comprised of transponder services, managed services, channel services, and occasional use managed services, are delivered in a series of time periods that are distinct from each other and have the same pattern of transfer to the customer. In each period, the Company’s obligation is to make those services available to the customer. Throughout each period of services being provided, the customer simultaneously receives and consumes the benefits, resulting in revenue recognition over time. We have certain obligations, including providing spare or substitute capacity if

available, in the event of satellite service failure under certain long-term agreements. We are generally not obligated to refund satellite utilization payments previously made.

Satellite Related Consulting and Technical Services. We recognize revenue from the provision of consulting services as those services are performed. We recognize revenue for consulting services with specific performance obligations, such as transfer orbit support services or training programs over the service period.

Tracking, Telemetry and Commanding (“TT&C”). We earn TT&C services revenue from providing operational services to other satellite owners and from certain customers on our satellites. TT&C agreements entered into in connection with our satellite utilization contracts are typically for the period of the related service agreement. We recognize this revenue over the term of the service agreement.

In-Orbit Backup Services. We provide back-up transponder capacity that is held on reserve for certain customers on agreed-upon terms. We recognize revenues for in-orbit protection services over the term of the related agreement.

Revenue Share Arrangements. We recognize revenues under revenue share agreements for satellite-related services either on a gross or net basis in accordance with principal versus agent considerations.

We occasionally sell products or services individually or in some combination to our customers. When products or services are sold together, we allocate revenue for each performance obligation based on each obligation’s relative selling price. In these arrangements, revenue for products is recognized when the transfer of control passes to the customer, while service revenue is recognized over the service term.

Contract Assets

Contract assets include unbilled amounts typically resulting from sales under our long-term contracts when the total contract value is recognized on a straight-line basis and the revenue recognized exceeds the amount billed to the customer.

Contract Liabilities

Contract liabilities consist of advance payments and collections in excess of revenue recognized and deferred revenue. Our contracts at times contain prepayment terms that range from one month to one year in advance of providing the service. As a practical expedient, we do not need to adjust the promised amount of consideration for the effects of a significant financing component if we expect, at contract inception, that the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. For a small subset of contracts with advance payments that contain prepayment terms greater than one year and up to 15 years, we assess whether a significant financing component exists by considering the difference between the amount of promised consideration and the cash selling price of the promised services. The prepayment amount is generally based on a standard methodology that discounts the total of the standard monthly charges over the service term to determine the prepayment amount, resulting in a difference between the amount of promised consideration and the cash selling price of the promised services. The Company considers the timing difference between payment and the promised transfer of services, combined with the Company’s incremental borrowing rates, to determine whether a significant financing component exists. When a significant financing component exists, the amount of revenue recognized exceeds the amount of cash received from the customer. After receiving cash from the customer but prior to the Company providing services, the Company records additional contract liabilities as well as offsetting interest expense to reflect the upfront financing the Company is effectively receiving from the customer.

Once the Company begins providing services, additional interest expense is recorded each period, using the effective interest method, as well as corresponding additional revenue which is recognized ratably over the service period.

For the year ended December 31, 2018, we recognized revenue of \$247.0 million that was included in the contract liability balance as of January 1, 2018. In addition, the total amount of consideration included in contract assets as of January 1, 2018 that became unconditional for the year ended December 31, 2018 was \$11.0 million.

Our remaining performance obligation, which we refer to as contracted backlog, is our expected future revenue under existing customer contracts, and includes both cancelable and non-cancelable contracts. Our remaining performance obligation was approximately \$8.1 billion as of December 31, 2018, approximately 88% of which related to contracts that were non-cancelable and approximately 11% related to contracts that were cancelable subject to substantial termination fees. We assess the contract term of our cancelable contracts as the full stated term of the contract assuming each contract is not canceled since the termination penalty upon cancellation is substantive. As of December 31, 2018, the weighted average remaining customer contract life was approximately 4.5 years. Approximately 38%, 21%, and 41% of our total remaining performance obligation as

of December 31, 2018 is expected to be recognized as revenue during 2019 and 2020, 2021 and 2022, and 2023 and thereafter, respectively. The amount included in the remaining performance obligation represents the full service charge for the duration of the contract and does not include termination fees. The amount of the termination fees, which is not included in the remaining performance obligation amount, is generally calculated as a percentage of the remaining performance obligation associated with the contract. In certain cases of breach for non-payment or customer financial distress or bankruptcy, we may not be able to recover the full value of certain contracts or termination fees. Our remaining performance obligation includes 100% of the remaining performance obligation of our consolidated ownership interests, which is consistent with the accounting for our ownership interest in these entities.

Assets Recognized from the Costs to Obtain a Customer Contract

We recognize an asset for the incremental costs of obtaining a contract with a customer if we expect the benefit of those costs to be longer than one year. We have determined that our sales incentive program meets the requirements to be capitalized due to the incremental nature of the costs and the expectation that the Company will recover such costs. The assets recognized from the costs to obtain a customer contract are amortized over a period that is consistent with the transfer to the customer of the services to which the asset relates. We capitalized \$6.6 million for our sales incentive program and amortized \$6.5 million for the year ended December 31, 2018.

Contract Modifications

Contracts are often modified to account for changes in contract specifications or requirements. We consider contract modifications to exist when the modification either creates new rights or obligations or changes the existing enforceable rights and obligations of either party. Most of our contract modifications are for goods and services that are distinct from the existing contract, as they consist of additional months of service priced at the Company's standalone selling prices of the additional services and are therefore treated as separate contracts. For contract modifications that do not result in additional distinct goods or services, the effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates is recognized as an adjustment to revenue.

Significant Judgments

We occasionally enter into certain contracts in which the customer makes payments in advance of services to be delivered, which may be years in the future. The reasons for the prepayments in these contracts vary, but generally can be either for the customer's benefit or for the Company's benefit (ability to use the cash received from the customer to pay for the construction of a satellite asset). The determination of whether contracts with a prepayment provision contain a significant financing component requires judgment. The Company makes this determination based on various factors, including the differences between the amount of promised consideration and cash selling prices, the length of time between payment and the transfer of services and prevailing interest rates in the market.

Our contracts generally contain multiple performance obligations. When a contract is separated into multiple performance obligations, we allocate the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling price of the promised good or service underlying such performance obligation. Judgment is required to determine the standalone selling price for each distinct performance obligation. In order to estimate standalone selling prices, we use an adjusted market assessment approach which involves an evaluation of the market and an estimate of the price that our customers are willing to pay, or an expected cost plus a margin approach.

When more than one party is involved in providing goods or services to a customer, we generally recognize the transaction on a gross basis due to the level of control that we have prior to the transfer of the good or service. Judgment is required in determining whether we are the principal or the agent in transactions involving third parties.

(d) Fair Value Measurements

We estimate the fair value of our financial instruments using available market information and valuation methodologies. The carrying amounts of cash and cash equivalents, receivables, accounts payable and accrued liabilities approximate their fair values because of the short maturity of these financial instruments.

FASB ASC Topic 820, *Fair Value Measurements and Disclosure* ("FASB ASC 820") defines fair value as the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 requires disclosure of the extent to which fair value is used to measure financial assets and liabilities, the inputs utilized in calculating valuation measurements, and the effect of the measurement of significant unobservable inputs on earnings, or changes in net assets, as of the measurement date. FASB ASC 820 establishes a three-level

valuation hierarchy based upon the transparency of inputs utilized in the measurement and valuation of financial assets or liabilities as of the measurement date. We apply fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis.

The fair value hierarchy prioritizes the inputs used in valuation techniques into three levels as follows:

- Level 1—unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2—quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted market prices that are observable or that can be corroborated by observable market data by correlation; and
- Level 3—unobservable inputs based upon the reporting entity’s internally developed assumptions which market participants would use in pricing the asset or liability.

(e) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments with original maturities of three months or less, which are generally time deposits with banks and money market funds. The carrying amount of these investments approximates fair value.

(f) Receivables and Allowances for Doubtful Accounts

We provide satellite services and extend credit to numerous customers in the satellite communication, telecommunications and video markets. We monitor our exposure to credit losses and maintain allowances for doubtful accounts and anticipated losses. We believe we have adequate customer collateral and reserves to cover our exposure.

(g) Satellites and Other Property and Equipment

Satellites and other property and equipment are stated at historical cost, or in the case of certain satellites acquired, the fair value at the date of acquisition. Capitalized costs consist primarily of the costs of satellite construction and launch, including launch insurance and insurance during the period of in-orbit testing, the net present value of performance incentives expected to be payable to the satellite manufacturers (dependent on the continued satisfactory performance of the satellites), costs directly associated with the monitoring and support of satellite construction, and interest costs incurred during the period of satellite construction.

We depreciate satellites and other property and equipment on a straight-line basis over the following estimated useful lives:

	Years
Buildings and improvements	10 - 40
Satellites and related costs	10 - 17
Ground segment equipment and software	4 - 15
Furniture and fixtures and computer hardware	4 - 12
Leasehold improvements(1)	2 - 12

(1) Leasehold improvements are depreciated over the shorter of the useful life of the improvement or the remaining lease term.

(h) Other Assets

Other assets consist of investments in certain equity securities, long-term deposits, long-term receivables and other miscellaneous deferred charges and long-term assets.

(i) Goodwill and Other Intangible Assets

We account for goodwill and other intangible assets in accordance with FASB ASC Topic 350, *Intangibles—Goodwill and Other* (“FASB ASC 350”). Goodwill represents the excess of the consideration transferred plus the fair value of any noncontrolling interest in the acquiree at the acquisition date over the fair values of identifiable net assets of businesses

acquired. Goodwill and certain other intangible assets deemed to have indefinite lives are not amortized but are tested on an annual basis for impairment during the fourth quarter, or whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. See Note 11—Goodwill and Other Intangible Assets.

Intangible assets arising from business combinations are initially recorded at fair value. We record other intangible assets at cost. We amortize intangible assets with determinable lives (consisting of backlog and customer relationships) based on the expected pattern of consumption. We review these intangible assets for impairment whenever facts and circumstances indicate that the carrying amounts may not be recoverable. See Note 11—Goodwill and Other Intangible Assets.

(j) Impairment of Long-Lived Assets

We review long-lived assets, including property and equipment and acquired intangible assets with estimable useful lives, for impairment whenever events or changes in circumstances indicate that the carrying amount of such an asset may not be recoverable. These indicators of impairment can include, but are not limited to, the following:

- satellite anomalies, such as a partial or full loss of power;
- under-performance of an asset compared to expectations; and
- shortened useful lives due to changes in the way an asset is used or expected to be used.

The recoverability of an asset to be held and used is determined by comparing the carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated undiscounted future cash flows, we record an impairment charge in the amount by which the carrying amount of the asset exceeds its fair value, which we determine by either a quoted market price, if any, or a value determined by utilizing discounted cash flow techniques.

(k) Income Taxes

We account for income taxes in accordance with FASB ASC Topic 740—*Income Taxes*. We are subject to income taxes in the United States as well as a number of other foreign jurisdictions. Significant judgment is required in the calculation of our tax provision and the resulting tax liabilities and in the recoverability of our deferred tax assets that arise from temporary differences between the tax and financial statement recognition of revenue and expense and net operating loss and credit carryforwards.

We regularly assess the likelihood that our deferred tax assets can be recovered. A valuation allowance is required when it is more likely than not that all or a portion of the deferred tax asset will not be realized. We evaluate the recoverability of our deferred tax assets based in part on the existence of deferred tax liabilities that can be used to realize the deferred tax assets.

During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. We evaluate our tax positions to determine if it is more likely than not that a tax position is sustainable, based solely on its technical merits and presuming the taxing authorities have full knowledge of the position and access to all relevant facts and information. When a tax position does not meet the more likely than not standard, we record a liability or contra asset for the entire amount of the unrecognized tax impact. Additionally, for those tax positions that are determined more likely than not to be sustainable, we measure the tax position at the largest amount of benefit more likely than not (determined by cumulative probability) to be realized upon settlement with the taxing authority.

(l) Foreign Currency Translation

Our functional currency is the U.S. dollar, since substantially all customer contracts, capital expenditure contracts and operating expense obligations are denominated in U.S. dollars. Transactions not denominated in U.S. dollars have been translated using the spot rates of exchange at the dates of the transactions. We recognize differences on exchange arising on the settlement of the transactions denominated in currencies other than the U.S. dollar in the consolidated statement of operations.

(m) Comprehensive Income

Comprehensive income consists of net income or loss and other gains and losses affecting shareholders' equity that, under U.S. GAAP, are excluded from net income or loss. Such items consist primarily of the change in the market value of pension liability adjustments.

(n) Share-Based Compensation

Compensation cost is recognized based on the requirements of FASB ASC Topic 718, *Compensation—Stock Compensation* (“FASB ASC 718”), for all share-based awards granted.

Option awards are measured at the grant date based on the fair value as calculated using either the Black-Scholes option pricing model, a Monte Carlo simulation model, a binomial tree model or any other acceptable model. Awards of shares or restricted share units are valued based on the closing market price at the grant date. The expense is recognized over the requisite service period, based on attainment of certain vesting requirements.

The determination of the value of certain awards requires considerable judgment, including estimating expected volatility, expected term, correlation between share price and market conditions and risk-free rate. The Company’s expected volatility is based on either implied volatility of traded options on the shares of the Company or the historical volatility. The expected term is based on the midpoint between the expected vesting time and the remaining contractual life. The risk-free rate is derived from the applicable Constant Maturity Treasury rate.

(o) Deferred Satellite Performance Incentives

The cost of satellite construction may include an element of deferred consideration that we are obligated to pay to satellite manufacturers over the lives of the satellites, provided the satellites continue to operate in accordance with contractual specifications. Historically, the satellite manufacturers have earned substantially all of these payments. Therefore, we account for these payments as deferred financing. We capitalize the present value of these payments as part of the cost of the satellites and record a corresponding liability to the satellite manufacturers. Interest expense is recognized on the deferred financing and the liability is reduced as the payments are made.

(p) Derivative Instruments

We enter into derivative transactions primarily to manage our exposure to fluctuations in foreign exchange rates and interest rates. We employ risk management strategies, which may include the use of foreign currency swaps, interest rate swaps and interest rate caps. We measure all derivatives at fair value and recognize them as either assets or liabilities on our consolidated balance sheets. Changes in the fair value of derivative instruments not qualifying as hedges are recognized in earnings in the current period.

(q) New Accounting Pronouncements

In May 2014, the FASB issued Accounting Standard Update (“ASU”) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in FASB ASC Topic 605 - Revenue Recognition. The guidance in ASU 2014-09 clarifies the principles for recognizing revenue by creating a common revenue standard for U.S. GAAP (“ASC 606”). The FASB issued several amendments to the standard, including clarification of accounting for licenses of intellectual property and identifying performance obligations.

We adopted the standard effective January 1, 2018 using the modified retrospective method. We recognized the cumulative effect of initially applying the new standard as an adjustment to the opening balance of accumulated deficit. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those years. Based on our assessment, the adoption of the new standard impacts the total consideration for prepayment contracts, accounting of incremental costs for obtaining a contract, allocation of the transaction price to performance obligations and accounting for contract modifications, and requires additional disclosures.

The cumulative effects of the changes made to our consolidated January 1, 2018 balance sheet for the adoption of ASC 606 were as follows (in thousands):

	As of December 31, 2017	Adjustment	As of January 1, 2018
Consolidated Balance Sheets			
Assets			
Receivables	\$ 221,223	\$ (11,025)	\$ 210,198
Prepaid expenses and other current assets	56,862	(28,545)	28,317
Contract assets	—	40,618	40,618
Contract assets, net of current portion	—	97,148	97,148
Other assets	443,830	(74,643)	369,187
Liabilities			
Accounts payable and accrued liabilities	\$ 116,396	\$ (4,071)	\$ 112,325
Deferred revenue	149,749	(149,749)	—
Contract liabilities	—	143,705	143,705
Deferred revenue, net of current portion	794,707	(794,707)	—
Contract liabilities, net of current portion	—	1,164,138	1,164,138
Deferred income taxes	48,434	(43,846)	4,588
Other long-term liabilities	296,616	(10,176)	286,440
Shareholders' deficit			
Accumulated deficit	\$ (5,894,659)	\$ (281,741)	\$ (6,176,400)

The cumulative effect adjustment was comprised of \$347.0 million, (\$8.5) million, (\$7.0) million, and (\$49.7) million for the significant financing component, timing of revenue recognition on our multi-product contracts that include both the provision of services and the delivery of equipment that are distinct, cost to obtain a contract adjustment and the related cumulative tax impact, respectively.

In accordance with the new revenue standard requirements, the disclosure of the impact of adoption of ASC 606 on our consolidated statements of operations, balance sheets, and statements of cash flows was as set forth in the tables below (in thousands). The impact to our consolidated statement of other comprehensive income (loss) was an increase in net loss of \$56.1 million for the year ended December 31, 2018.

	For the Year Ended December 31, 2018		
	As Reported	Balances without the adoption of ASC 606	Effect of adoption increase (decrease)
Consolidated Statements of Operations			
Revenue	\$ 2,161,190	\$ 2,057,983	\$ 103,207
Direct costs of revenue (excluding depreciation and amortization)	330,874	331,786	(912)
Selling, general and administrative	200,857	200,973	(116)
Interest expense, net	1,212,374	1,096,184	116,190
Other income, net	4,541	5,329	(788)
Provision for income taxes ⁽¹⁾	130,069	86,720	43,349
Net loss	(595,690)	(539,598)	(56,092)
Net loss attributable to Intelsat S.A.	(599,605)	(543,513)	(56,092)
Net loss per common share attributable to Intelsat S.A.:			
Basic	\$ (4.63)	\$ (4.20)	\$ (0.43)
Diluted	\$ (4.63)	\$ (4.20)	\$ (0.43)

(1) Provision for income taxes includes a deferred tax asset that was established upon adoption of ASC 606 that was eliminated as a result of the 2018 Internal Reorganization (see Note 14 - Income Taxes).

	As of December 31, 2018		
	As Reported	Balances without the adoption of ASC 606	Effect of adoption increase (decrease)
Consolidated Balance Sheets			
Assets			
Receivables	\$ 271,393	\$ 278,233	\$ (6,840)
Prepaid expenses and other current assets	24,075	61,237	(37,162)
Contract assets	45,034	—	45,034
Contract assets, net of current portion	96,108	—	96,108
Other assets	401,414	483,589	(82,175)
Liabilities			
Accounts payable and accrued liabilities	\$ 108,101	\$ 113,627	\$ (5,526)
Deferred revenue	—	134,799	(134,799)
Contract liabilities	137,746	—	137,746
Deferred revenue, net of current portion	—	763,478	(763,478)
Contract liabilities, net of current portion	1,131,319	—	1,131,319
Taxes payable	5,679	4,886	793
Other long-term liabilities	77,670	83,776	(6,106)
Deferred income taxes	82,488	89,639	(7,151)
Shareholders' deficit			
Accumulated deficit	\$ (6,606,426)	\$ (6,268,593)	\$ (337,833)

	For the Year Ended December 31, 2018		
	As Reported	Balances without the adoption of ASC 606	Effect of adoption increase (decrease)
Consolidated Statement of Cash Flows			
Cash flows from operating activities			
Net loss	\$ (595,690)	\$ (539,598)	\$ (56,092)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Deferred income taxes	79,160	42,465	36,695
Other non-cash items	938,828	938,828	—
Changes in operating assets and liabilities:			
Receivables	(63,814)	(59,629)	(4,185)
Prepaid expenses, contract and other assets	3,708	(9,065)	12,773
Accounts payable and accrued liabilities	7,291	7,953	(662)
Accrued interest payable	21,442	21,442	—
Deferred revenue and contract liabilities	(39,763)	(47,164)	7,401
Accrued retirement benefits	(15,902)	(15,902)	—
Other long-term liabilities	8,913	4,843	4,070
Net cash provided by operating activities	\$ 344,173	\$ 344,173	\$ —

Refer to Note 17—Business and Geographic Segment Information for the required disclosures related to the disaggregation of revenue.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*, which addresses specific issues relating to diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. Additionally, in November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, which requires that amounts described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. We adopted ASU 2016-15 and ASU 2016-18 in the first quarter of 2018 on a retrospective basis. The adoption of ASU 2016-15 has no impact on our consolidated statement of cash flows. The effect of the adoption of ASU 2016-18 on our consolidated statements of cash flows are as follows (in thousands):

	For the Year Ended December 31, 2016		
	As Reported	Balances without the adoption of ASU 2016-18	Effect of adoption increase (decrease)
Consolidated Statement of Cash Flows			
Net cash provided by operating activities	\$ 678,755	\$ 683,506	\$ (4,751)
Net cash provided by investing activities	(730,589)	(730,589)	—
Net cash provided by financing activities	546,347	541,596	4,751
Net change in cash, cash equivalents and restricted cash	\$ 494,483	\$ 494,483	\$ —
	For the Year Ended December 31, 2017		
	As Reported	Balances without the adoption of ASU 2016-18	Effect of adoption increase (decrease)
Consolidated Statement of Cash Flows			
Net cash provided by operating activities	\$ 464,246	\$ 464,230	\$ 16
Net cash provided by investing activities	(468,297)	(468,297)	—
Net cash used in financing activities	(121,698)	(137,858)	16,160
Net change in cash, cash equivalents and restricted cash	\$ (124,633)	\$ (140,809)	\$ 16,176

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within our consolidated balance sheets to the total sum of these same amounts reported in our consolidated statements of cash flows:

	As of December 31, 2016	As of December 31, 2017	As of December 31, 2018
Cash and cash equivalents	\$ 666,024	\$ 525,215	\$ 485,120
Restricted cash	—	16,176	22,037
Total cash, cash equivalents and restricted cash reported in the statements of cash flows	\$ 666,024	\$ 541,391	\$ 507,157

Restricted cash represents legally restricted amounts being held as a compensating balance for certain outstanding letters of credit.

We adopted ASU 2016-16 in the first quarter of 2018 and the adoption resulted in approximately a \$170 million benefit to accumulated deficit. See Note 14—Income Taxes. We also adopted ASU 2016-01, ASU 2017-07 and ASU 2017-09 in the first quarter of 2018. See Note 10—Investments, Note 7—Retirement Plans and Other Retiree Benefits, and Note 5—Share-Based and Other Compensation Plans, respectively.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, to increase transparency and comparability by recognizing substantially all leases on the balance sheet. Under the new standard, a lessee will recognize on its balance sheet a lease liability and a right-of-use (“ROU”) asset for most leases, with certain practical expedients available. ASU 2016-02 is effective for interim and annual periods beginning after December 15, 2018. Subsequent to ASU 2016-02, the FASB issued ASU 2018-10 *Codification Improvements to Topic 842, Leases*, ASU 2018-11 *Targeted Improvements*, and ASU 2018-20 *Narrow-Scope Improvements for Lessors*, which amend and clarify aspects of the guidance issued in ASU 2016-02. ASU 2018-11 provides an alternative transition method (the “effective date method”).

We intend to adopt ASU 2016-02 on January 1, 2019 and apply the package of practical expedients included therein, as well as utilize the effective date method included in ASU 2018-11. Under the package of practical expedients, we will not

reassess (a) whether expired or existing contracts contain a lease under the new definition of a lease, (b) lease classification for expired or existing leases, and (c) whether previously capitalized initial direct costs would qualify for capitalization under Topic 842. We also intend to apply the practical expedients for lessees and lessors to exempt short term leases and to account for each non lease component associated with a lease component as a single component when the applicable criteria are met. By applying ASU 2016-02 at the adoption date, as opposed to at the beginning of the earliest period presented, our reporting for periods prior to January 1, 2019 will continue to be in accordance with Leases (Topic 840). In preparation for adoption of the standard, we have implemented internal controls and key system functionality to enable the preparation of the necessary financial information.

The new standard will have a material impact on our consolidated balance sheets, and we expect to recognize ROU assets and related lease liabilities for operating leases in the range of \$85 million to \$95 million, and \$110 million to \$120 million, respectively, with no material impact on our consolidated statement of operations and statement of cash flows. The new standard may have lessor accounting implications where certain future contracts that convey the right to control the use of a significant portion of the satellite may be accounted for using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases, which could potentially result in more upfront revenue recognition.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which changes how companies measure and recognize credit impairment for any financial assets. The standard requires companies to immediately recognize an estimate of credit losses expected to occur over the remaining life of the financial assets that are within the scope of the standard. The scope of Subtopic 326-20, *Financial Instruments - Credit Losses - Measured at Amortized Cost*, includes financial assets measured at amortized cost basis, including net investments in leases arising from sales-type and direct financing leases. The scope does not specifically address receivables arising from operating leases. In November 2018, the FASB issued 2018-19, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses* to clarify that receivables arising from operating leases are not within the scope of Subtopic 326-20. Instead, impairment of receivables arising from operating leases should be accounted for in accordance with Topic 842, *Leases*. Both ASU 2016-13 and ASU 2018-19 are effective for interim and annual periods beginning after December 15, 2019 for public business entities that are SEC filers, on a modified retrospective basis. Early adoption is permitted for interim and annual periods beginning after December 15, 2018. We are in the process of evaluating the impact that ASU 2016-13 and ASU 2018-19 will have on our consolidated financial statements and associated disclosures.

In January 2017, the FASB issued ASU 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*, which is intended to simplify the subsequent measurement of goodwill. The amendments in ASU 2017-04 modify the concept of impairment from the condition that exists when the carrying amount of goodwill exceeds its fair value to the condition that exists when the carrying amount of a reporting unit exceeds its fair value. An entity will no longer determine goodwill impairment by calculating the implied fair value of goodwill by assigning the fair value of a reporting unit to all of its assets and liabilities, as if that reporting unit had been acquired in a business combination. ASU 2017-04 will be effective for interim and annual goodwill impairment tests in fiscal years beginning after December 15, 2019 for public business entities, on a prospective basis. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. When adopted, we will measure impairment using the difference between the carrying amount and the fair value of the reporting unit, if required.

In February 2018, the FASB issued ASU 2018-02, *Income Statement - Reporting Comprehensive Income (Topic 220)*, which allows for an optional reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act. Consequently, the amendments eliminate the stranded tax effects resulting from the Tax Cuts and Jobs Act for those entities that elect the optional reclassification. The amendments in this update will also require certain disclosures about stranded tax effects. ASU 2018-02 is effective for all entities for interim and annual periods beginning after December 15, 2018. The adoption of ASU 2018-02 is not expected to have a significant impact on our consolidated financial statements and associated disclosures.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820)*, as part of its disclosure framework project to improve the effectiveness of disclosures in the notes to financial statements. ASU 2018-13 modifies disclosure requirements on fair value measurements in Topic 820, and is effective for all entities for interim and annual periods beginning after December 15, 2019. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. Early adoption is allowed for any removed or modified disclosures upon issuance of ASU 2018-13 and delay adoption for the

additional disclosures until their effective date. We are in the process of evaluating the impact that ASU 2018-13 will have on our consolidated financial statements and associated disclosures.

In August 2018, the FASB issued ASU 2018-14, *Compensation - Retirement Benefits - Defined Benefit Plans - General (Subtopic 715-20)*, as part of its disclosure framework project to improve the effectiveness of disclosures in the notes to financial statements. ASU 2018-14 modifies and clarifies disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. The amendments remove certain disclosure requirements and require additional disclosures including the weighted-average interest crediting rates for cash balance plans and other plans with promised interest crediting rates, an explanation of the reasons for significant gains and losses related to changes in the benefit obligation for the period, the projected benefit obligation "PBO" and fair value of plan assets for plans with PBOs in excess of plan assets, and the accumulated benefit obligation "ABO" and fair value of plan assets for plans with ABOs in excess of plan assets. ASU 2018-14 is effective for public business entities for fiscal years ending after December 15, 2020, on a retrospective basis to all periods presented with early adoption allowed. We are in the process of evaluating the impact that ASU 2018-14 will have on our consolidated financial statements and associated disclosures.

In August 2018, the FASB issued ASU 2018-15, *Intangibles - Goodwill and Other Internal-Use Software (Subtopic 350-40)*, to improve current U.S. GAAP by clarifying the accounting for implementation costs of a hosting arrangement that is a service contract. The amendments align the requirements for capitalizing implementation costs incurred in a cloud computing arrangement (hosting arrangement) that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). The amendments require costs for implementation activities in the application development stage to be capitalized depending on the nature of the costs, and costs incurred during the preliminary project and post-implementation stages to be expensed as the activities are performed. ASU 2018-15 also requires the entity (customer) to expense capitalized implementation costs of a hosting arrangement that is a service contract over the term of the hosting arrangement, and the entity (customer) to present the expense related to the capitalized implementation costs in the same line item in the statement of income as the fees associated with the hosting element (service) of the arrangement, as well as to classify payments for capitalized implementation costs in the statement of cash flows in the same manner as payments made for fees associated with the hosting element. ASU 2018-15 is effective for public business entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. ASU 2018-15 can be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption, with early adoption allowed. We are in the process of evaluating the impact that ASU 2018-15 will have on our consolidated financial statements and associated disclosures.

In November 2018, the FASB issued ASU 2018-18, *Collaborative Arrangements (Topic 808) - Clarifying the Interaction between Topic 808 and Topic 606*, to clarify the interaction between Topic 808, *Collaborative Arrangements* and Topic 606, *Revenue from Contracts with Customers*. ASU 2018-18 is effective for public business entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years, with early adoption allowed. ASU 2018-18 can be applied retrospectively to the date of initial application of Topic 606, with cumulative effect of initially applying the amendments in this update adjusted to the opening balance of retained earnings of the later of the earliest annual period presented and the annual period that includes the date of the entity's initial application of Topic 606. The amendments in ASU 2018-18 can be applied to all contracts or only to contracts that are not completed at the date of initial application of Topic 606. We are in the process of evaluating the impact that ASU 2018-18 will have on our consolidated financial statements and associated disclosures.

Note 3 Share Capital

Under our Articles of Incorporation, we have an authorized share capital of \$10 million, represented by 1.0 billion shares of any class with a nominal value of \$0.01 per share. At December 31, 2018, there were 138.0 million common shares issued and outstanding.

In June 2018, Intelsat S.A. completed an offering of 15,498,652 common shares, nominal value 0.01 per share, at a public offering price of 14.84 per common share.

Note 4 Net Income (Loss) per Share

Basic earnings per share ("EPS") is computed by dividing net income (loss) attributable to Intelsat S.A.'s common shareholders by the weighted average number of common shares outstanding during the periods.

The following table sets forth the computation of basic and diluted net income (loss) per share attributable to Intelsat S.A.:

	(in thousands, except per share data or where otherwise noted)		
	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018
Numerator:			
Net income (loss)	\$ 994,112	\$ (174,814)	\$ (595,690)
Net income attributable to noncontrolling interest	(3,915)	(3,914)	(3,915)
Net income (loss) attributable to Intelsat S.A.	990,197	(178,728)	(599,605)
Net income (loss) attributable to common shareholders	\$ 990,197	\$ (178,728)	\$ (599,605)
Numerator for Basic EPS—income/ (loss) available to common shareholders	\$ 990,197	\$ (178,728)	\$ (599,605)
Numerator for Diluted EPS	\$ 990,197	\$ (178,728)	\$ (599,605)
Denominator:			
Basic weighted average shares outstanding (in millions)	114.5	118.9	129.6
Weighted average dilutive shares outstanding (in millions):			
Preferred shares (in millions)	3.2	—	—
Employee compensation related shares including options and restricted stock units (in millions)	0.8	—	—
Diluted weighted average shares outstanding (in millions)	118.5	118.9	129.6
Basic net income (loss) per common share attributable to Intelsat S.A.	\$ 8.65	\$ (1.50)	\$ (4.63)
Diluted net income (loss) per common share attributable to Intelsat S.A.	\$ 8.36	\$ (1.50)	\$ (4.63)

In June 2018, Intelsat S.A. completed an offering of \$402.5 million aggregate principal amount of its 4.5% Convertible Senior Notes due 2025 (the “2025 Convertible Notes”). We do not expect to settle the principal amount of the 2025 Convertible Notes in cash, and therefore use the if-converted method for calculating any potential dilutive effect of the conversion on diluted net income per share, if applicable. The 2025 Convertible Notes are eligible for conversion depending upon the trading price of our common shares and under other conditions set forth in the 2025 Indenture (as defined below in Note 12—Long Term Debt) until December 15, 2024, and thereafter without regard to any conditions. See Note 12—Long Term Debt for additional information on the conversion conditions.

Due to a net loss in the years ended December 31, 2017 and 2018, there were no dilutive securities, and therefore, basic and diluted EPS were the same. The weighted average number of shares that could potentially dilute basic EPS in the future was 6.2 million, 3.5 million and 12.5 million (consisting of restricted share units, performance units, options to purchase common shares, and potentially issuable shares from the conversion of the 2025 Convertible Notes) for the years ended December 31, 2016, 2017 and 2018, respectively.

Note 5 Share-Based and Other Compensation Plans

In May 2017, the FASB issued ASU 2017-09, *Compensation-Stock Compensation (Topic 718): Scope of Modification Accounting*, which is intended to clarify when to account for a change to the terms or conditions of a share-based payment award as a modification. Under ASU 2017-09 modification accounting is required only if the fair value (or calculated intrinsic value, if those amounts are being used to measure the award under ASC 718), the vesting conditions, or the classification of the award changes as a result of the change in terms or conditions. ASU 2017-09 is effective for all entities for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. We adopted ASU 2017-09 on January 1, 2018. The adoption of this standard did not have an impact on our consolidated financial statements and associated disclosures. We will continue to evaluate the impact of ASU 2017-09 as any modifications occur.

In April 2013, our board of directors adopted the amended and restated Intelsat Global, Ltd. 2008 Share Incentive Plan (as amended, the “2008 Equity Plan”). Also in April 2013, our board of directors adopted the Intelsat S.A. 2013 Equity Incentive Plan (the “2013 Equity Plan”). No new awards may be granted under the 2008 Equity Plan.

The 2013 Equity Plan provides for a variety of equity based awards, including incentive stock options (within the meaning of Section 422 of the United States Internal Revenue Service Tax Code), restricted shares, restricted share units (“RSUs”), other share-based awards and performance compensation awards. Effective June 16, 2016, we increased the aggregate number of common shares authorized for issuance under the 2013 Equity Plan to 20.0 million common shares. The total aggregate number of shares available for future issuance under the 2013 Equity Plan was 7.3 million as of December 31, 2018.

For all share-based awards, we recognize the compensation costs over the vesting period during which the employee provides service in exchange for the award. During the years ended December 31, 2016, 2017 and 2018, we recorded compensation expense of \$23.2 million, \$16.0 million, and \$6.8 million, respectively. The income tax benefit related to share-based compensation expense was \$0.4 million for the year ended December 31, 2018. We did not recognize any income tax benefit related to share-based compensation expense for the years ended December 31, 2017 and December 31, 2016.

Stock Options

Stock options generally expire 10 years from the date of grant. In some cases, options have been granted which expire 15 years from the date of grant. The options vest monthly over service periods ranging from six months to five years.

Stock Option activity during 2018 was as follows:

	Number of Stock Options (in thousands)	Weighted Average Exercise price	Weighted Average remaining contractual term (in years)	Aggregate intrinsic value (in millions)
Outstanding at January 1, 2018	2,084	\$ 3.84		
Granted	3	19.5		
Exercised	(852)	3.77		
Expired	(126)	5.67		
Outstanding at December 31, 2018	1,109	\$ 3.71	5.7	\$ 19.6
Exercisable at December 31, 2018	1,037	\$ 3.71	5.6	\$ 18.3

The total intrinsic value of stock options exercised during the years ended December 31, 2017 and 2018 was \$0.2 million and \$7.9 million, respectively. No stock options were exercised during the year ended December 31, 2016. As of December 31, 2018, there was a minimal amount of total unrecognized compensation cost related to unvested options, which is expected to be recognized over a weighted average period of 0.1 years.

During the years ended December 31, 2016, 2017 and 2018, we recorded compensation expense of \$2.6 million, \$1.4 million and \$0.2 million, respectively, including compensation expense from option modifications in 2014 and 2016, further described below. During years ended 2017 and 2018, we received cash of \$0.5 million and \$3.2 million, respectively, from the exercise of stock options. No stock options were exercised during the year ended December 31, 2016.

Anti-Dilution Options

In connection with our initial public offering of common shares in April 2013 (the "IPO") and upon consummation of the IPO, options were granted to certain individuals in accordance with the existing terms of their side letters to a management shareholders agreement to which we are a party, which, when taken together with the common shares received in connection with the reclassification of our outstanding former Class B Shares at the time of our IPO, preserved their ownership interests represented by their outstanding former Class B Shares immediately prior to the reclassification.

These options generally expire 10 years from the date of the grant.

	Number of Stock Options (in thousands)	Weighted Average Exercise price	Weighted Average remaining contractual term (in years)	Aggregate intrinsic value (in millions)
Outstanding at January 1, 2018	1,610	\$ 11.98		
Outstanding at December 31, 2018	1,610	\$ 11.98	4.1	\$ 15.1
Exercisable at December 31, 2018	1,610	\$ 11.98	4.1	\$ 15.1

We measure the fair value of anti-dilution option grants at the date of grant using a Black-Scholes option pricing model. There were no anti-dilution options granted during the years ended December 31, 2016, 2017 and 2018.

During the year ended December 31, 2016, we recorded compensation expense associated with anti-dilution option awards of \$1.0 million related to 2016 option modifications further described below. No compensation expense was recorded for these awards during the years ended December 31, 2017 and 2018.

There were no anti-dilution options exercised during the years ended 2016, 2017 or 2018.

2016 Option modifications

During the year ended December 31, 2016, we amended 1.2 million stock options under the 2008 Equity Plan (including 0.7 million of anti-dilution options), and 0.4 million stock options under the 2013 Equity Plan in order to modify the exercise prices to \$4.16 for the anti-dilution options and to \$3.77 for the remainder. As a result of the change, we estimated the difference between fair value of the amended options and the fair value of the original awards before settlement. The fair value was measured using the Black-Scholes option pricing model and the following assumptions were used for the amended options and the original awards before amendment: risk-free interest rates of 0.8% to 1.5%; dividend yields of 0.0%; expected volatility of 50-60%; and expected life of one to four years.

All such options were fully vested and we recognized additional compensation expense associated with the modifications of \$2.0 million for the year ended December 31, 2016, which has been included in the respective sections above.

Time-based RSUs

Time-based RSUs vest over periods ranging from one to three years from the date of grant.

Time-based RSUs activity during 2018 was as follows:

	Number of RSUs (in thousands)	Weighted Average grant date fair value	Weighted Average remaining contractual term (in years)	Aggregate intrinsic value (in millions)
Outstanding at January 1, 2018	3,417	\$ 7.56		
Granted	1,490	7.99		
Vested (1)	(2,113)	10.07		
Forfeited	(192)	5.42		
Outstanding at December 31, 2018	2,602	\$ 5.93	1.6	\$ 40.2

(1) The total vested RSUs includes 1,025 RSUs that were vested in prior years but settled in 2018.

The fair value of time-based RSUs is deemed to be the market price of common shares on the date of grant. The weighted average grant date fair value of time-based RSUs granted during the years ended December 31, 2016, 2017, and 2018 was \$1.67, \$4.36, and \$7.99, respectively. The total intrinsic value of time-based RSUs vested during the years ended December 31, 2016, 2017 and 2018 was \$1.7 million, \$6.0 million, and \$9.2 million, respectively. As of December 31, 2018, there was \$10.7 million of total unrecognized compensation cost related to unvested time-based RSUs, which is expected to be recognized over a weighted average period of 1.6 years.

During the years ended December 31, 2016, 2017, and 2018, we recorded compensation expense associated with these time-based RSUs of \$17.9 million, \$13.7 million, and \$5.7 million, respectively.

Performance-based RSUs

Performance-based RSUs vest after three years from the date of grant upon achievement of certain performance conditions. These grants are subject to vesting upon achievement of an adjusted EBITDA target or achievement of a relative shareholder return ("RSR"), which is based on the Company's relative shareholder return percentile ranking versus the S&P 900 Index target as defined in the grant agreement.

Performance-based RSUs activity during 2018 was as follows:

	Number of RSUs (in thousands)	Weighted Average grant date fair value	Weighted Average remaining contractual term (in years)	Aggregate intrinsic value (in millions)
Outstanding at January 1, 2018	2,156	\$ 2.89		
Granted	930	4.53		
Cancelled	(348)	8.97		
Forfeited	(114)	2.28		
Outstanding at December 31, 2018	2,624	\$ 2.69	1.1	\$ 49.1

We measure the fair value of performance-based RSUs at the date of grant using the market price of our common shares.

The weighted average grant date fair value of performance-based RSUs granted during the years ended December 31, 2016, 2017, and 2018 was \$0.94, \$2.79, and \$4.53, respectively. As of December 31, 2018, there was \$2.3 million of total unrecognized compensation cost related to unvested performance-based RSUs, which is expected to be recognized over a weighted average period of 1.1 years.

Achievement of the adjusted EBITDA target for awards granted in 2016, 2017, and 2018 is not currently considered probable. No compensation cost associated with these awards (based on the adjusted EBITDA condition) was recognized during the years ended December 31, 2017, and 2018. We recorded compensation expense associated with the awards granted in 2016 (based on the adjusted EBITDA condition) of \$0.1 million during the year ended December 31, 2016, which was reversed during the year ended December 31, 2017. We recorded compensation expense associated with the RSR portion of performance-based RSUs of \$1.6 million, \$1.0 million, and \$0.9 million during the years ended December 31, 2016, 2017 and 2018, respectively.

Note 6 Fair Value Measurements

We have identified investments in marketable securities, interest rate financial derivative instruments, warrant instruments as those items that meet the criteria of the disclosure requirements and fair value framework of FASB ASC 820.

The following tables present assets measured and recorded at fair value in our consolidated balance sheets on a recurring basis and their corresponding level within the fair value hierarchy (in thousands), excluding long-term debt (see Note 12—Long-Term Debt) and pension plan assets (see Note 7—Retirement Plans and Other Retiree Benefits). No transfers between Level 1 and Level 2 fair value measurements occurred during the year ended December 31, 2018.

Description	As of December 31, 2017	Fair Value Measurements at December 31, 2017		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable securities ⁽¹⁾	\$ 5,776	\$ 5,776	\$ —	\$ —
Undesignated interest rate cap ⁽²⁾	22,336	—	22,336	—
Warrant ⁽³⁾	4,100	—	—	4,100
Total assets	\$ 32,212	\$ 5,776	\$ 22,336	\$ 4,100

Description	As of December 31, 2018	Fair Value Measurements at December 31, 2018		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable securities ⁽¹⁾	\$ 4,700	\$ 4,700	\$ —	\$ —
Undesignated interest rate cap ⁽²⁾	33,086	—	33,086	—
Warrant ⁽³⁾	4,100	—	—	4,100
Total assets	\$ 41,886	\$ 4,700	\$ 33,086	\$ 4,100

(1) The valuation measurement inputs of these marketable securities represent unadjusted quoted prices in active markets and, accordingly, we have classified such investments within Level 1 of the fair value hierarchy. The cost basis of our marketable securities was \$4.7 million at December 31, 2017 and \$4.6 million at December 31, 2018. We sold

marketable securities with a cost basis of \$0.7 million during the year ended December 31, 2018 and recorded a nominal gain on the sale within other income, net in our consolidated statement of operations.

- (2) The valuation of our interest rate derivative instruments reflects the fair value of premiums paid, taking into account observable inputs including current interest rates, the market expectation for future interest rates volatility and current creditworthiness of the counterparties. As a result, we have determined that our derivative valuations in their entirety are classified within Level 2 of the fair value hierarchy.
- (3) We valued the warrant using a valuation technique which reflects the risk free rate, time to maturity and volatility of comparable companies. We identified the inputs used to calculate the fair value as Level 3 inputs and concluded that the valuation in its entirety was classified as Level 3 within the fair value hierarchy.

Note 7 Retirement Plans and Other Retiree Benefits

In March 2017, the FASB issued ASU 2017-07, *Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*, to require that an employer report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period in the operating income section of the income statement, if one is presented. The other components of net benefit cost, as defined, are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations. If a separate line item or items are used to present the other components of net benefit cost, that line item or items must be appropriately described. If a separate line item or items are not used, the line item or items used in the income statement to present the other components of net benefit cost must be disclosed. The amendments in this ASU also allow only the service cost component to be eligible for capitalization when applicable. ASU 2017-07 is effective for interim and annual periods beginning after December 15, 2017 for public business entities. As discussed in Note 2, we adopted ASU 2017-07 on January 1, 2018 using the retrospective method, which changed the financial statement presentation of service costs and the other components of net periodic benefit cost. The service cost component, which does not apply to our plans since they are frozen, continues to be included in operating income; however, the other components are now presented in other income (expense), net in the consolidated statements of operations. As a result, the company reclassified a net credit for pension and postretirement benefits from operating expenses to other income for the years ended December 31, 2016 and 2017, to conform to the current year presentation.

The reclassifications to conform to the current year presentation are as follows (in thousands):

	Year Ended December 31, 2016	Year Ended December 31, 2017
Operating Expenses:		
Direct costs of revenue (excluding depreciation and amortization)	\$ 1,487	\$ 2,016
Selling, general and administrative	1,140	1,460
Other income (expense), net	\$ 2,627	\$ 3,476

(a) Pension and Other Postretirement Benefits

We maintain a noncontributory defined benefit retirement plan covering substantially all of our employees hired prior to July 19, 2001. The cost of providing benefits to eligible participants under the defined benefit retirement plan is calculated using the plan's benefit formulas, which take into account the participants' remuneration, dates of hire, years of eligible service, and certain actuarial assumptions. In addition, as part of the overall medical plan, we provide postretirement medical benefits to certain current retirees who meet the criteria under the medical plan for postretirement benefit eligibility.

In September 2018, the Company communicated a plan to its retiree medical group Medicare eligible plan participants to transition to a private exchange, effective January 1, 2019, which was accounted for as a plan amendment. As a result of the plan amendment, we recognized a decrease of \$38.5 million (net of \$0.7 million in tax impact) in our other postretirement benefit obligation as of December 31, 2018, with a corresponding increase to other comprehensive income for the year ended December 31, 2018.

In the first quarter of 2015, we amended the defined benefit retirement plan to cease the accrual of additional benefits for the remaining active participants effective March 31, 2015. As a result of the curtailment, all of the plan's participants are now considered inactive. Accordingly, all amounts recorded in accumulated other comprehensive loss are being recognized as an increase to net periodic benefit cost over the average remaining life expectancy of plan participants, which is approximately 20 years.

The defined benefit retirement plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended. We expect that our future contributions to the defined benefit retirement plan will be based on the minimum funding requirements of the Internal Revenue Code and on the plan's funded status. Any significant decline in the fair value of our defined benefit retirement plan assets or other adverse changes to the significant assumptions used to determine the plan's funded status would negatively impact its funded status and could result in increased funding in future years. The impact on the funded status is determined based upon market conditions in effect when we completed our annual valuation. We anticipate that our contributions to the defined benefit retirement plan in 2019 will be approximately \$5.1 million. We fund the postretirement medical benefits throughout the year based on benefits paid. We anticipate that our contributions to fund postretirement medical benefits in 2019 will be approximately \$3.1 million.

Prior service credits and actuarial losses are reclassified from accumulated other comprehensive loss to net periodic pension benefit costs, which are included in other income (expense), net on our consolidated statements of operations for the year ended December 31, 2018. The following table presents these reclassifications, net of tax, as well as the reclassification of the realized gain on investments, and the statement of operations line items that are impacted (in thousands):

	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018
Amortization of prior service credits reclassified from other comprehensive loss to net periodic pension benefit costs included in:			
Other income (expense), net	(5)	21	(839)
Total	\$ (5)	\$ 21	\$ (839)
Amortization of actuarial loss reclassified from other comprehensive loss to net periodic pension benefit costs included in:			
Other income (expense), net	2,223	2,074	4,064
Total	\$ 2,223	\$ 2,074	\$ 4,064
Realized gain on investments included in:			
Other income (expense), net	(192)	(235)	(351)
Total	\$ (192)	\$ (235)	\$ (351)

Reconciliation of Funded Status and Accumulated Benefit Obligation. Expenses for our defined benefit retirement plan and for postretirement medical benefits that are provided under our medical plan are developed from actuarial valuations. The following summarizes the projected benefit obligations, plan assets and funded status of the defined benefit retirement plan, as well as the projected benefit obligations of the postretirement medical benefits provided under our medical plan (in thousands, except percentages):

	Year Ended December 31, 2017		Year Ended December 31, 2018	
	Pension Benefits	Other Post- retirement Benefits	Pension Benefits	Other Post- retirement Benefits
Change in benefit obligation				
Benefit obligation at beginning of year	\$ 424,929	\$ 82,897	\$ 447,222	\$ 82,587
Service cost	—	—	—	—
Interest cost	14,778	2,869	14,428	2,314
Employee contributions	—	416	—	390
Plan amendments	—	—	—	(33,907)
Benefits paid	(24,380)	(4,125)	(30,741)	(3,600)
Actuarial (gain) loss	31,895	530	(36,827)	(7,258)
Benefit obligation at end of year	<u>\$ 447,222</u>	<u>\$ 82,587</u>	<u>\$ 394,082</u>	<u>\$ 40,526</u>
Change in plan assets				
Plan assets at beginning of year	\$ 317,510	\$ —	\$ 334,582	\$ —
Employer contributions	2,888	3,709	5,115	3,210
Employee contributions	—	416	—	390
Actual return on plan assets	38,564	—	(11,325)	—
Benefits paid	(24,380)	(4,125)	(30,741)	(3,600)
Plan assets at fair value at end of year	<u>\$ 334,582</u>	<u>\$ —</u>	<u>\$ 297,631</u>	<u>\$ —</u>
Accrued benefit costs and funded status of the plans	<u>\$ (112,640)</u>	<u>\$ (82,587)</u>	<u>\$ (96,451)</u>	<u>\$ (40,526)</u>
Accumulated benefit obligation	<u>\$ 447,222</u>		<u>\$ 394,082</u>	
Weighted average assumptions used to determine accumulated benefit obligation and accrued benefit costs				
Discount rate	3.67%	3.64%	4.35%	4.27%
Weighted average assumptions used to determine net periodic benefit costs				
Discount rate	4.23%	4.19%	3.67%	3.64%/4.18%
Expected rate of return on plan assets	7.60%	—	7.60%	—
Rate of compensation increase	—	—	—	—
Amounts in accumulated other comprehensive loss recognized in net periodic benefit cost				
Actuarial (gain) loss, net of tax	\$ 2,363	\$ (289)	\$ 4,640	\$ (576)
Prior service credits, net of tax	(8)	29	(854)	15
Total	<u>\$ 2,355</u>	<u>\$ (260)</u>	<u>\$ 3,786</u>	<u>\$ (561)</u>
Amounts in accumulated other comprehensive loss not yet recognized in net periodic benefit cost				
Actuarial (gain) loss, net of tax	\$ 99,152	\$ (8,815)	\$ 93,509	\$ (15,377)
Prior service credits, net of tax	(366)	—	(343)	(32,514)
Total	<u>\$ 98,786</u>	<u>\$ (8,815)</u>	<u>\$ 93,166</u>	<u>\$ (47,891)</u>
Amounts in accumulated other comprehensive loss expected to be recognized in net periodic benefit cost in the subsequent year				
Actuarial (gain) loss	\$ (5,307)	\$ 403	\$ (4,222)	\$ 1,229
Prior service credits	—	8	—	2,544
Total	<u>\$ (5,307)</u>	<u>\$ 411</u>	<u>\$ (4,222)</u>	<u>\$ 3,773</u>

Our benefit obligations are determined by discounting each future year's expected benefit cash flow using the corresponding spot rates along a yield curve that is derived from the monthly bid-price data of bonds that are rated high grade by either Moody's Investor Service or Standard and Poor's Rating Services. The bond types included are noncallable bonds, private placement bonds that are traded among qualified institutional buyers and are at least two years from date of issuance, bonds with a make-whole provision, and bonds issued by foreign corporations that are denominated in U.S. dollars. Excluded are bonds that are callable, sinkable and puttable as well as those for which the quoted yield-to-maturity is zero. Using the bonds from this universe that have a yield higher than the regression mean yield curve for the full universe, regression analysis is used to determine the best-fitting curve, which gives a good fit to the data at both long and short maturities. The resulting regressed coupon yield curve is smoothed continuously along its entire length and represents an unbiased average of the observed market data.

In the first quarter of 2016, we changed the method we use to estimate the interest cost component of net periodic benefit cost for our defined benefit pension and other postretirement benefit plans. Historically, we estimated the interest cost component using a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the year. We elected to use a full yield curve approach in the estimation of this component of benefit cost by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows. We made this change to improve the correlation between projected benefit cash flows and the corresponding yield curve spot rates, and to provide a more precise measurement of interest costs. This change does not affect the measurement of our total benefit obligations, as the change in the interest cost is completely offset in the actuarial (gain) loss reported. We accounted for this change as a change in estimate and, accordingly, accounted for it prospectively starting in the first quarter of 2016. The discount rate that we used to measure interest cost as of December 31, 2016 was approximately 3.8%. The discount rate that we measured at December 31, 2016 and would have used for interest cost under our prior estimation technique was approximately 4.5%. The reduction in interest cost as of December 31, 2016, associated with this change in estimate was approximately \$3.6 million. The discount rate that we used to measure interest cost was approximately 3.6% and 3.3% as of December 31, 2017 and 2018, respectively.

Interest rates used in these valuations are key assumptions, including discount rates used in determining the present value of future benefit payments and expected return on plan assets, which are reviewed and updated on an annual basis. The discount rates reflect market rates for high-quality corporate bonds. We consider current market conditions, including changes in interest rates, in making assumptions. The Society of Actuaries (“SOA”) issued new mortality and mortality improvement tables in 2014, and modified those tables in 2015, 2016, 2017 and 2018. Our December 31, 2018 valuation used mortality and improvement tables based on the SOA tables, adjusted to reflect (1) an ultimate rate of mortality improvement consistent with both historical experience and U.S. Social Security long-term projections, and (2) a shorter transition period to reach the ultimate rate, which is consistent with historical patterns. In establishing the expected return on assets assumption, we review the asset allocations considering plan maturity and develop return assumptions based on different asset classes. The return assumptions are established after reviewing historical returns of broader market indexes, as well as historical performance of the investments in the plan. Our pension plan assets are managed in accordance with an investment policy adopted by the pension committee, as discussed below.

Plan Assets. The investment policy of the Plan includes target allocation percentages of approximately 49% for investments in equity securities (29% U.S. equities and 20% non-U.S. equities), 36% for investments in fixed income securities and 15% for investments in other securities, which is broken down further into 5% for investments in hedge fund of funds and 10% for investments in real estate fund of funds. Plan assets include investments in both U.S. and non-U.S. equity funds. Fixed income investments include a long duration bond fund, a high yield bond fund and an emerging markets debt fund. The funds in which the plan’s assets are invested are institutionally managed and have diversified exposures into multiple asset classes implemented with over 63 investment managers. The guidelines and objectives of the funds are congruent with the Intelsat investment policy statement.

The target and actual asset allocation of our pension plan assets were as follows:

Asset Category	As of December 31, 2017		As of December 31, 2018	
	Target Allocation	Actual Allocation	Target Allocation	Actual Allocation
Equity securities	49%	50%	49%	45%
Debt securities	36%	35%	36%	36%
Other securities	15%	15%	15%	19%
Total	100%	100%	100%	100%

The fair values of our pension plan assets by asset category are as follows (in thousands):

Asset Category	Fair Value Measurements at December 31, 2018			Level 1	Level 2	Level 3
Equity Securities						
U.S. Large-Cap (1)	\$	62,243	\$	62,243	\$	—
U.S. Small/Mid-Cap (2)		15,739		15,739		—
World Equity Ex-US (3)		54,994		54,994		—
Fixed Income Securities						
Long Duration Bonds (4)		91,278		91,278		—
High Yield Bonds (5)		8,440		8,440		—
Emerging Market Fixed income (Non-US) (6)		8,923		8,923		—
Other Securities						
Hedge Funds (7)		18,062				
Core Property Fund (8)		37,559				
Cash and income earned but not yet received		393				
Total	\$	297,631				

Asset Category	Fair Value Measurements at December 31, 2017			Level 1	Level 2	Level 3
Equity Securities						
U.S. Large-Cap (1)	\$	78,076	\$	78,076	\$	—
U.S. Small/Mid-Cap (2)		19,952		19,952		—
World Equity Ex-US (3)		67,835		67,835		—
Fixed Income Securities						
Short Duration Bonds (4)		98,421		98,421		—
High Yield Bonds (5)		9,419		9,419		—
Emerging Market Fixed income (Non-US) (6)		9,127		9,127		—
Other Securities						
Hedge Funds (7)		17,121				
Core Property Fund (8)		34,486				
Income earned but not yet received		145				
Total	\$	334,582				

- (1) US large cap equity fund invests primarily in a portfolio of common stocks included in the S&P 500 Index, as well as other equity securities and derivative instruments whose value is derived from the performance of the S&P 500.
- (2) The US small/mid cap equity includes the U.S. Small/Mid Cap Equity Fund and the Extended Market Index Fund. The U.S. Small/Mid Cap Equity Fund will invest primarily in U.S. small- and mid-cap stocks with market capitalization ranges similar to those found in the FTSE Russell 2500 Index. The Extended Markets Index Fund aims to produce investment results that correspond to the performance of the FTSE/Russell Small Cap Completeness Index.
- (3) World equity ex-US fund invests primarily in common stocks and other equity securities whose issuers comprise a broad range of capitalizations and are located outside of the U.S. The fund invests primarily in developed countries but may also invest in emerging markets.
- (4) The Long Duration Bond Fund will invest primarily in long-duration government and corporate fixed income securities and use derivative instruments (including interest rate swaps and Treasury futures contracts) for the purpose of managing the overall duration and yield curve exposure of the Fund's portfolio. Short duration bond fund includes the Opportunistic Income fund and the Limited Duration Bond Fund.
- (5) High yield bond fund seeks to maximize return by investing primarily in a diversified portfolio of higher yielding, lower rated fixed income securities. The fund will invest primarily in securities rated below investment grade, including corporate bonds, convertible and preferred securities and zero coupon obligations.
- (6) Emerging markets debt fund seeks to maximize return investing in fixed income securities of emerging markets issuers. The fund will invest primarily in U.S. dollar denominated debt securities of government, government-related and corporate issuers in emerging market countries, as well as entities organized to restructure the outstanding debt of such issuers.

- (7) Hedge fund seeks to provide returns that are different from (less correlated with) investments in more traditional asset classes. The fund will pursue its investment objective by investing substantially all of its assets in various hedge funds. The fund has semi-annual redemptions in June and December with a 95 days pre-notification period, and a two year lock-up on all purchases which have expired.
- (8) Core property fund is a fund of funds that invests in direct commercial property funds primarily in the U.S. The fund is meant to provide current income-oriented returns, diversification, and modest inflation protection to an overall investment portfolio. Total returns are expected to be somewhere between stocks and bonds, with moderate volatility and low correlation to public markets. The fund has quarterly redemptions with a 95 days pre-notification period, and no lock-up period.

Our plan assets are measured at fair value. FASB ASC 820 prioritizes the inputs used in valuation techniques including Level 1, Level 2 and Level 3 (see Note 2 (d)—Significant Accounting Policies—Fair Value Measurements).

The majority of our plan assets are valued using measurement inputs which include unadjusted prices in active markets and we have therefore classified these assets within Level 1 of the fair value hierarchy. Our other securities include Hedge Funds and Core Property Funds, which are measured at fair value using the net asset value per share practical expedient, and are not classified in the fair value hierarchy.

Net periodic pension benefit costs included the following components (in thousands):

	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018
Interest cost	\$ 16,183	\$ 14,778	\$ 14,428
Expected return on plan assets	(25,535)	(24,410)	(24,482)
Amortization of unrecognized net loss	3,370	3,751	5,307
Total benefit	<u>\$ (5,982)</u>	<u>\$ (5,881)</u>	<u>\$ (4,747)</u>

We had accrued benefit costs at December 31, 2017 and 2018 of \$112.6 million and \$96.4 million, respectively, related to the pension benefits, of which \$0.6 million for each year were recorded within other current liabilities, and \$112.0 million and \$95.8 million were recorded in other long-term liabilities, respectively.

Net periodic other postretirement benefit costs included the following components (in thousands):

	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018
Interest cost	\$ 3,363	\$ 2,869	\$ 2,314
Amortization of prior service cost	—	(8)	(854)
Amortization of unrecognized net (gain) loss	(8)	(455)	(630)
Total costs	<u>\$ 3,355</u>	<u>\$ 2,406</u>	<u>\$ 830</u>

We had accrued benefit costs at December 31, 2017 and 2018 related to the other postretirement benefits of \$82.6 million and \$40.5 million, respectively, of which \$4.1 million and \$3.1 million were recorded in other current liabilities, and \$78.5 million and \$37.4 million were recorded in other long-term liabilities, respectively.

Depending on our actual future health care claims, our actual costs may vary significantly from those projected above. As of December 31, 2017 and December 31, 2018, the assumed health care cost trend rates prior to Medicare were 6.6% and 6.3%, respectively. These rates are expected to decrease annually to an ultimate rate of 4.5% by December 31, 2038. Increasing the assumed health care cost trend rate by 1% each year would increase the other postretirement benefits obligation as of December 31, 2018 by \$3.8 million. Decreasing this trend rate by 1% each year would reduce the other postretirement benefits obligation as of December 31, 2018 by \$3.2 million. A 1% increase in the assumed health care cost trend rate would have increased the net periodic other postretirement benefits cost by \$0.2 million and a 1% decrease would have decreased the cost by \$0.2 million for 2018.

The benefits expected to be paid in each of the next five years and in the aggregate for the five years thereafter are as follows (in thousands):

	Pension Benefits	Other Post- retirement Benefits
2019	\$ 37,034	\$ 3,107
2020	28,141	3,129
2021	27,013	3,132
2022	27,021	3,129
2023	27,082	3,087
2024 to 2028	127,278	14,231
Total	\$ 273,569	\$ 29,815

(b) Other Retirement Plans

We maintain a defined contribution retirement plan, qualified under the provisions of Section 401(k) of the Internal Revenue Code, for our employees in the United States. We recognized compensation expense for this plan of \$10.3 million, \$7.8 million and \$7.9 million for the years ended December 31, 2016, 2017 and 2018, respectively. We also maintain other defined contribution retirement plans in several non-U.S. jurisdictions, but such plans are not material to our financial position or results of operations.

Note 8 Receivables

Receivables were comprised of the following (in thousands):

	As of December 31, 2017	As of December 31, 2018
Service charges:		
Billed	\$ 234,724	\$ 292,634
Unbilled	11,025	—
Other	5,143	7,301
Allowance for doubtful accounts	(29,669)	(28,542)
Total	\$ 221,223	\$ 271,393

As a result of the adoption of ASC 606, the total receivables balance as of December 31, 2018 does not reflect unbilled service charges, which are now presented as part of the contract assets on the balance sheet. Unbilled service charges as of December 31, 2017 represent amounts earned and accrued as receivables from customers for services rendered prior to the end of the reporting period.

Note 9 Satellites and Other Property and Equipment

(a) Satellites and Other Property and Equipment, net

Satellites and other property and equipment, net were comprised of the following (in thousands):

	As of December 31, 2017	As of December 31, 2018
Satellites and launch vehicles	\$ 10,653,213	\$ 10,786,802
Information systems and ground segment	808,203	894,796
Buildings and other	264,417	273,155
Total cost	11,725,833	11,954,753
Less: accumulated depreciation	(5,802,214)	(6,443,051)
Total	\$ 5,923,619	\$ 5,511,702

Satellites and other property and equipment are stated at historical cost, with the exception of satellites that have been impaired. Satellites and other property and equipment acquired as part of an acquisition are based on their fair value at the date of acquisition.

Satellites and other property and equipment, net as of December 31, 2017 and 2018 included construction-in-progress of \$705.8 million and \$371.3 million, respectively. These amounts relate primarily to satellites under construction and related launch services. Interest costs of \$60.0 million and \$30.2 million were capitalized during the years ended December 31, 2017

and 2018, respectively. Additionally, we recorded depreciation expense of \$646.4 million, \$665.6 million and \$649.1 million during the years ended December 31, 2016, 2017 and 2018, respectively.

We have entered into launch contracts for the launch of both specified and unspecified future satellites. Each of these launch contracts provides that such contract may be terminated at our option, subject to payment of a termination fee that increases as the applicable launch date approaches. In addition, in the event of a failure of any launch, we may exercise our right to obtain a replacement launch within a specified period following our request for re-launch.

(b) Recent Satellite Launches

Horizons 3e, a satellite owned by a joint venture between the Company and JSAT International, Inc. ("JSAT"), was successfully launched on September 25, 2018 and will complete the Intelsat Epic^{NG} constellation. Horizons 3e will bring high-throughput satellite ("HTS") solutions in both C- and Ku-bands to broadband, mobility and government customers in the Asia-Pacific Ocean region from its orbital slot at 169°E. Horizons 3e is the first Intelsat Epic^{NG} satellite to feature a multipoint amplifier that enables power portability across all Ku-band spot beams. This enhanced, advanced digital payload features full beam interconnectivity in three commercial bands and significant upgrades to power, efficiency and coverage flexibility. Horizons 3e entered into service in January 2019.

Intelsat 38, a customized Ku-band payload positioned on a third-party satellite, was successfully launched on September 25, 2018. Intelsat 38 will replace Intelsat 12 at the 45°E location and host direct-to-home ("DTH") platforms for Central and Eastern Europe as well as the Asia-Pacific region. The satellite will also provide connectivity for corporate networks and government applications in Africa. Intelsat 38 entered into service in January 2019.

Intelsat 37e, the fifth satellite in the Intelsat Epic^{NG} fleet, was successfully launched on September 29, 2017. The all-digital Intelsat 37e is the first high-throughput ("HTS") satellite to offer full, high-resolution interconnectivity between C-, Ku- and Ka- bands, delivering additional services and improved throughput to support enterprise, broadband, government and mobility applications in the Americas, Africa and Europe. Intelsat 37e entered into service in March 2018.

On July 5, 2017, we successfully launched our Intelsat 35e satellite into orbit. The fourth of our Intelsat Epic^{NG} next-generation HTS satellites, Intelsat 35e will deliver high-performance services in the C- and Ku-bands. The Intelsat 35e Ku-band services include a customized high power wide beam for direct-to-home ("DTH") service delivery in the Caribbean, as well as services for mobility and government applications in the Caribbean, trans-Europe to Africa and the African continent. Intelsat 35e entered into service in August 2017.

Intelsat 32e, a customized payload positioned on a third-party satellite, was successfully launched on February 14, 2017. Intelsat 32e is the third of six in our planned Intelsat Epic^{NG} fleet, featuring high-performance spot beams. Intelsat 32e increases our service capabilities over the in-demand North Atlantic and Caribbean regions, supplying services for applications such as in-flight connectivity for commercial flights and passenger and commercial broadband for cruise lines and shipping vessels. Intelsat 32e entered into service in March 2017.

(c) Satellite Health

Our satellite fleet is diversified by manufacturer and satellite type, and as a result, our fleet is generally healthy. We have experienced some technical problems with our current fleet but have been able to minimize the impact of these problems on our customers, our operations and our business in recent years. Many of these problems have been component failures and anomalies that have had little long-term impact to date on the overall transponder availability in our satellite fleet. All of our satellites have been designed to accommodate an anticipated rate of equipment failures with adequate redundancy to meet or exceed their orbital design lives, and to date, this redundancy design scheme has proven effective. After each anomaly we have generally restored services for our customers on the affected satellite, provided alternative capacity on other satellites in our fleet, or provided capacity that we purchased from other satellite operators.

Significant Anomalies

During orbit raising of Intelsat 33e in September 2016, the satellite experienced a malfunction of the main satellite thruster. Orbit raising was subsequently completed using a different set of satellite thrusters. The anomaly resulted in a delay of approximately three months in reaching the geostationary orbit, as well as a reduction in the projected lifetime of the satellite. Intelsat 33e entered service in January 2017. In addition, in February 2017, measurements indicated higher than expected fuel use while performing stationkeeping maneuvers. There is no evidence of any impact to the communications payload. A Failure Review Board was established to determine the cause of the primary thruster failure and a separate team to investigate the fuel

use anomaly. We filed a loss claim with our insurers in March 2017 relating to the reduction of life. As of December 31, 2018, we have settled with all insurers and received total collection and settlement payments of \$70 million in cash.

Note 10 Investments

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall (Topic 825)*, to require equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. An entity may choose to measure equity investments that do not have readily determinable fair values at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer (the measurement alternative). In February 2018, the FASB issued ASU 2018-03, *Technical Corrections and Improvements to Financial Instruments Overall (Subtopic 825-10)* to clarify certain aspects of the guidance issued in ASU 2016-01 that was effective for interim and annual periods beginning after December 15, 2017, including clarification that ASU 2016-01 related to equity investments without readily determinable fair values (including disclosure requirements) should be applied prospectively to equity investments that exist as of the date of adoption. We adopted the standards in the first quarter of 2018 and have elected the measurement alternative. We considered available information for any observable orderly transactions for identical or similar investments and did not make any upward or downward adjustments to our investments. The adoption of the standards did not have a material impact on our consolidated financial statements and associated disclosures.

We have ownership interests in two entities that meet the criteria of a VIE: Horizons Satellite Holdings, LLC (“Horizons Holdings”) and Horizons-3 Satellite LLC (“Horizons 3”), which are discussed in further detail below, including our analyses of the primary beneficiary determination as required under FASB ASC Topic 810, *Consolidation* (“FASB ASC 810”). We also own noncontrolling investments recognized under the measurement alternative, discussed further below.

(a) Horizons Holdings

Our first joint venture with JSAT is named Horizons Satellite Holdings, LLC, and consists of two investments: Horizons-1 Satellite LLC (“Horizons-1”) and Horizons-2 Satellite LLC (“Horizons-2”). Horizons Holdings borrowed from JSAT a portion of the funds necessary to finance the construction of the Horizons 2 satellite pursuant to a loan agreement. The borrowing was subsequently repaid. We provide certain services to the joint venture and in return utilize capacity from the joint venture.

We have determined that this joint venture meets the criteria of a VIE under FASB ASC 810, and we have concluded that we are the primary beneficiary because decisions relating to any future relocation of the Horizons 2 satellite, the most significant asset of the joint venture, are effectively controlled by us. In accordance with FASB ASC 810, as the primary beneficiary, we consolidate Horizons Holdings within our consolidated financial statements. Total assets of Horizons Holdings were \$38.7 million and \$28.8 million as of December 31, 2017 and 2018, respectively. Total liabilities at both dates were nominal.

We have a revenue sharing agreement with JSAT related to services sold on the Horizons 1 and Horizons 2 satellites. We are responsible for billing and collection for such services, and we remit 50% of the revenue, less applicable fees and commissions, to JSAT. Amounts payable to JSAT related to the revenue sharing agreement, net of applicable fees and commissions, from the Horizons 1 and Horizons 2 satellites were \$5.4 million and \$5.5 million as of December 31, 2017 and 2018, respectively.

(b) Horizons-3 Satellite LLC

On November 4, 2015, we entered into a new joint venture agreement with JSAT. The joint venture, named Horizons 3, was formed for the purpose of developing, launching, managing, operating and owning a high-performance satellite located at the 169°E orbital location.

Horizons 3, which is 50% owned by each of Intelsat and JSAT, was set up with a joint share of management authority and equal rights to profits and revenues from the joint venture. Similar to Horizons Holdings, we have a revenue sharing agreement with JSAT related to services sold on the Horizons 3 satellite. In addition, we are responsible for billing and collection for such services, and we remit 50% of the revenue, less applicable fees and commissions, to JSAT.

We have determined that this joint venture meets the criteria of a VIE under FASB ASC 810, however we have concluded that we are not the primary beneficiary and therefore do not consolidate Horizons 3. The assessment considered both quantitative and qualitative factors, including an analysis of voting power and other means of control of the joint venture as

well as each owner's exposure to risk of loss or gain. Because we and JSAT equally share control over the operations of the joint venture and also equally share exposure to risk of losses or gains, we concluded that we are not the primary beneficiary of Horizons 3. Our investment, included within other assets in our consolidated balance sheets, is accounted for using the equity method of accounting. The investment balance was \$61.8 million and \$109.9 million as of December 31, 2017 and 2018, respectively.

In connection with our investment in Horizons 3, we entered into a capital contribution and subscription agreement which requires us to fund our 50% share of the amounts due in order to maintain our respective 50% interest in the joint venture. Pursuant to this agreement, we made contributions of \$27.4 million and \$41.2 million during the years ended December 31, 2017 and 2018, respectively. In addition, our indirect subsidiary that holds our investment in Horizons 3 has entered into a security and pledge agreement with Horizons 3, pursuant to which it has granted a security interest in its membership interests in Horizons 3. Further, our indirect subsidiary has granted a security interest to Horizons 3 in its customer capacity contracts and its ownership interest in its wholly-owned subsidiary that will hold the U.S. Federal Communications Commission license required for the joint venture's operations.

(c) Investments Without Readily Determinable Fair Values

Our investments without readily determinable fair values recorded in other assets in our consolidated balance sheets had a total carrying value of \$54.7 million and \$73.7 million, consisting of five and six separate noncontrolling investments as of December 31, 2017 and 2018, respectively.

(d) Equity Attributable to Intelsat S.A. and Non-controlling Interests

The following tables present changes in equity attributable to the Company and equity attributable to our noncontrolling interests, which is included in the equity section of our consolidated balance sheet (in thousands):

	Intelsat S.A. Shareholders' Deficit	Noncontrolling Interests	Total Shareholders' Deficit
Balance at January 1, 2017	\$ (3,634,145)	\$ 24,147	\$ (3,609,998)
Net income (loss)	(178,728)	3,914	(174,814)
Dividends paid to noncontrolling interests	—	(8,755)	(8,755)
Share-based compensation	16,472	—	16,472
Postretirement/pension liability adjustment	(11,801)	—	(11,801)
Other comprehensive income	332	—	332
Balance at December 31, 2017	<u>\$ (3,807,870)</u>	<u>\$ 19,306</u>	<u>\$ (3,788,564)</u>

	Intelsat S.A. Shareholders' Deficit	Noncontrolling Interests	Total Shareholders' Deficit
Balance at January 1, 2018	\$ (3,807,870)	\$ 19,306	\$ (3,788,564)
Net income (loss)	(599,605)	3,915	(595,690)
Dividends paid to noncontrolling interests	—	(8,825)	(8,825)
Common shares and 2025 Convertible Notes offering	368,253	—	368,253
Share-based compensation	10,035	—	10,035
Postretirement/pension liability adjustment	44,695	—	44,695
Other comprehensive loss	(351)	—	(351)
Adoption of accounting standards ⁽¹⁾	(112,162)	—	(112,162)
Balance at December 31, 2018	<u>\$ (4,097,005)</u>	<u>\$ 14,396</u>	<u>\$ (4,082,609)</u>

(1) See Note 2—Significant Accounting Policies and Note 14—Income Taxes

Note 11 Goodwill and Other Intangible Assets

The carrying amounts of goodwill and acquired intangible assets not subject to amortization consist of the following (in thousands):

	As of December 31, 2017	As of December 31, 2018
Goodwill (1)	\$ 2,620,627	\$ 2,620,627
Orbital locations	2,387,700	2,387,700
Trade name	65,200	65,200

(1) Net of accumulated impairment losses of \$4,160,200.

We account for goodwill and other non-amortizable intangible assets in accordance with FASB ASC 350, and have deemed these assets to have indefinite lives. Therefore, these assets are not amortized but are instead tested on an annual basis for impairment during the fourth quarter, or whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable.

(a) Goodwill

We perform our annual goodwill impairment assessment using a qualitative approach to identify and consider the significance of relevant key factors, events, and circumstances that affect the fair value of our reporting unit. We are required to identify reporting units at a level below the Company's identified operating segments for impairment analysis. We have identified only one reporting unit for the goodwill impairment test.

Assumptions and Approach Used. We make our qualitative evaluation considering, among other things, general macroeconomic conditions, industry and market considerations, cost factors, overall financial performance and other relevant entity-specific events.

Based on our review at December 31, 2017, since the fixed and mobile satellite services industry is under pressure (pricing, over-supply, value-chain inefficiencies) and since comparable companies have demonstrated negative to minimal revenue growth with equities underperforming, we determined that a quantitative assessment of goodwill was appropriate.

We determined the estimated fair value of our reporting unit using discounted cash flow analysis, along with independent source data related to the comparative market multiples and, when available, recent transactions, each of which is considered a Level 3 input within the fair value hierarchy under FASB ASC 820. The discounted cash flows were derived from a five-year projection of cash flows plus a residual value, with the resulting projected cash flows discounted at an appropriate weighted average cost of capital.

In estimating the undiscounted cash flows, we primarily used our internally prepared budgets and forecast information. The key assumptions included in our model were projected growth rates, cost of capital, effective tax rates, and industry and economic trends. A change in the estimated future cash flows or other assumptions could change our estimated fair values and result in future impairments. Based on our quantitative analysis as described above, we concluded that there was no impairment for goodwill at December 31, 2017.

Based on our examination of the qualitative factors at December 31, 2018, we concluded that there was not a likelihood of more than 50% that the fair value of our reporting unit was less than its carrying value; therefore, no further testing of goodwill was required.

(b) Orbital Locations, Trade Name and other Intangible Assets

Intelsat is authorized by governments to operate satellites at certain orbital locations—i.e., longitudinal coordinates along the Clarke Belt. The Clarke Belt is the part of space approximately 35,800 kilometers above the plane of the equator where geostationary orbit may be achieved. Various governments acquire rights to these orbital locations through filings made with the ITU, a sub-organization of the United Nations. We will continue to have rights to operate satellites at our orbital locations so long as we maintain our authorizations to do so.

Our rights to operate at orbital locations can be used and sold individually; however, since satellites and customers can be and are moved from one orbital location to another, our rights are used in conjunction with each other as a network that can be adapted to meet the changing needs of our customers and market demands. Due to the interchangeable nature of orbital locations, the aggregate value of all of the orbital locations is used to measure the extent of impairment, if any.

At December 31, 2017 and 2018, we determined, based on an examination of qualitative factors, that there was no impairment of our orbital locations and trade name.

The carrying amount and accumulated amortization of acquired intangible assets subject to amortization consisted of the following (in thousands):

	As of December 31, 2017			As of December 31, 2018		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Backlog and other	\$ 743,760	\$ (686,425)	\$ 57,335	\$ 743,760	\$ (701,445)	\$ 42,315
Customer relationships	534,030	(241,781)	292,249	534,030	(265,242)	268,788
Total	\$ 1,277,790	\$ (928,206)	\$ 349,584	\$ 1,277,790	\$ (966,687)	\$ 311,103

Intangible assets are amortized based on the expected pattern of consumption. We recorded amortization expense of \$48.5 million, \$42.3 million and \$38.5 million for the years ended December 31, 2016, 2017 and 2018, respectively.

Scheduled amortization charges for the intangible assets over the next five years are as follows (in thousands):

Year	Amount
2019	\$ 34,351
2020	31,103
2021	28,635
2022	25,479
2023	21,353

Our policy is to expense all costs incurred to renew or extend the terms of our intangible assets. The renewal expenses for the years ended December 31, 2016, 2017 and 2018 were immaterial to our consolidated results of operations.

Note 12 Long-Term Debt

The carrying values and fair values of our notes payable and long-term debt were as follows (in thousands):

	As of December 31, 2017		As of December 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Intelsat S.A.:				
4.5% Convertible Senior Notes due June 2025	\$ —	\$ —	\$ 402,500	\$ 590,427
Unamortized prepaid debt issuance costs and discount on 4.5% Convertible Senior Notes	—	—	(149,083)	—
Total Intelsat S.A. obligations	—	—	253,417	590,427
Intelsat Luxembourg:				
6.75% Senior Notes due June 2018	\$ 96,650	\$ 94,717	\$ —	\$ —
Unamortized prepaid debt issuance costs on 6.75% Senior Notes	(78)	—	—	—
7.75% Senior Notes due June 2021	2,000,000	1,070,000	421,219	381,203
Unamortized prepaid debt issuance costs on 7.75% Senior Notes	(13,325)	—	(2,062)	—
8.125% Senior Notes due June 2023	1,000,000	515,000	1,000,000	765,000
Unamortized prepaid debt issuance costs on 8.125% Senior Notes	(8,562)	—	(7,256)	—
12.5% Senior Notes due November 2024	403,350	265,052	403,350	376,807

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Unamortized prepaid debt issuance costs and discount on 12.5% Senior Notes	(209,165)	—	(198,620)	—
Total Intelsat Luxembourg obligations	3,268,870	1,944,769	1,616,631	1,523,010
Intelsat Connect Finance:				
12.5% Senior Notes due April 2022	\$ 731,892	\$ 640,406	\$ —	\$ —
Unamortized prepaid debt issuance costs and discount on 12.5% Senior Notes	(267,108)	—	—	—
9.5% Senior Notes due February 2023	—	—	1,250,000	1,062,500
Unamortized prepaid debt issuance costs and discount on 9.5% Senior Notes	—	—	(34,904)	—
Total Intelsat Connect Finance obligations	464,784	640,406	1,215,096	1,062,500
Intelsat Jackson:				
9.5% Senior Secured Notes due September 2022	\$ 490,000	\$ 565,950	\$ 490,000	\$ 556,150
Unamortized prepaid debt issuance costs and discount on 9.5% Senior Secured Notes	(17,556)	—	(14,545)	—
8% Senior Secured Notes due February 2024	1,349,678	1,423,910	1,349,678	1,390,168
Unamortized prepaid debt issuance costs and premium on 8.0% Senior Secured Notes	(5,378)	—	(4,671)	—
7.25% Senior Notes due October 2020	2,200,000	2,068,000	—	—
Unamortized prepaid debt issuance costs and premium on 7.25% Senior Notes	(5,151)	—	—	—
7.5% Senior Notes due April 2021	1,150,000	1,040,750	—	—
Unamortized prepaid debt issuance costs on 7.5% Senior Notes	(5,415)	—	—	—
5.5% Senior Notes due August 2023	2,000,000	1,630,000	1,985,000	1,717,025
Unamortized prepaid debt issuance costs on 5.5% Senior Notes	(12,977)	—	(10,859)	—
9.75% Senior Notes due July 2025	1,500,000	1,455,000	1,485,000	1,488,713
Unamortized prepaid debt issuance costs on 9.75% Senior Notes	(20,315)	—	(18,230)	—
8.5% Senior Notes due October 2024	—	—	2,950,000	2,832,000
Unamortized prepaid debt issuance costs and premium on 8.5% Senior Notes	—	—	(15,310)	—
Senior Secured Credit Facilities due June 2019	1,095,000	1,093,631	—	—
Unamortized prepaid debt issuance costs and discount on Senior Secured Credit Facilities	(4,636)	—	—	—
Senior Secured Credit Facilities due November 2023	2,000,000	1,947,500	2,000,000	1,940,000
Unamortized prepaid debt issuance costs and discount on Senior Secured Credit Facilities	(28,600)	—	(26,965)	—
Senior Secured Credit Facilities due January 2024	—	—	395,000	395,988
Unamortized prepaid debt issuance costs and discount on Senior Secured Credit Facilities	—	—	(1,933)	—
6.625% Senior Secured Credit Facilities due January 2024	—	—	700,000	694,750
Unamortized prepaid debt issuance costs and discount on Senior Secured Credit Facilities	—	—	(3,427)	—
Total Intelsat Jackson obligations	11,684,650	11,224,741	11,258,738	11,014,794
Eliminations:				
7.75% Senior Notes of Intelsat Luxembourg due June 2021 owned by Intelsat Connect Finance	\$ (979,168)	\$ (523,855)	\$ —	\$ —
Unamortized prepaid debt issuance costs on 7.75% Senior Notes	6,524	—	—	—
8.125% Senior Notes of Intelsat Luxembourg due June 2023 owned by Intelsat Connect Finance and Intelsat Jackson	(111,663)	(57,506)	(111,663)	(85,422)
Unamortized prepaid debt issuance costs on 8.125% Senior Notes	956	—	810	—
12.5% Senior Notes of Intelsat Luxembourg due November 2024 owned by Intelsat Connect Finance, Intelsat Jackson, and Intelsat Envision	(402,595)	(264,556)	(403,245)	(376,708)
Unamortized prepaid debt issuance costs and discount on 12.5% Senior Notes	208,775	—	198,568	—
Unamortized prepaid debt issuance costs and discount on 12.5% Senior Notes due 2022	67,525	—	—	—

Total eliminations:		(1,209,646)	(845,917)	(315,530)	(462,130)
Total Intelsat S.A. long-term debt	\$	14,208,658	\$ 12,963,999	\$ 14,028,352	\$ 13,728,601
Less:					
Current portion of long-term debt		96,572		—	
Total long-term debt, excluding current portion	\$	14,112,086		\$ 14,028,352	

The fair value for publicly traded instruments is determined using quoted market prices, and for non-publicly traded instruments, fair value is based upon composite pricing from a variety of sources, including market leading data providers, market makers and leading brokerage firms. Substantially all of the inputs used to determine the fair value of our debt are classified as Level 1 inputs within the fair value hierarchy from FASB ASC 820, except our senior secured credit facilities, the inputs for which are classified as Level 2.

Required principal repayments of long-term debt over the next five years and thereafter as of December 31, 2018 are as follows (in thousands):

Year	Amount
2019	\$ —
2020	—
2021	421,219
2022	490,000
2023	6,123,337
2024 and thereafter	7,282,283
Total principal repayments	14,316,839
Unamortized discounts, premiums and prepaid issuance costs	(288,487)
Total Intelsat S.A. long-term debt	\$ 14,028,352

2018 Debt and Other Capital Markets Transactions

March 2018/May 2018 ICF Tender Offer for Intelsat Luxembourg Notes and Redemption

In March 2018, ICF commenced a cash tender offer to purchase any and all of the outstanding aggregate principal amount of the 6.75% Senior Notes due 2018 (the “2018 Luxembourg Notes”). ICF purchased a total of \$31.2 million aggregate principal amount of the 2018 Luxembourg Notes at par value in March 2018 and April 2018. In May 2018, pursuant to a previously issued notice of redemption, Intelsat Luxembourg redeemed \$46.0 million aggregate principal amount of the 2018 Luxembourg Notes at par value together with accrued and unpaid interest thereon.

June 2018 Intelsat S.A. Senior Convertible Notes Offering and Common Shares Offering

In June 2018, we completed an offering of 15,498,652 Intelsat S.A. common shares, nominal value \$0.01 per share (the “Common Shares”), at a public offering price of \$14.84 per common share, and we completed an offering of \$402.5 million aggregate principal amount of the 2025 Convertible Notes. These notes are guaranteed by a direct subsidiary of Intelsat Luxembourg, Intelsat Envision. The net proceeds from the Common Shares offering and 2025 Convertible Notes offering were used to repurchase approximately \$600 million aggregate principal amount of Intelsat Luxembourg’s 7.75% Senior Notes due 2021 (the “2021 Luxembourg Notes”) in privately negotiated transactions with individual holders in June 2018. In connection with the repurchase of the 2021 Luxembourg Notes, we recognized a net gain on early extinguishment of debt of \$22.1 million consisting of the difference between the carrying value of debt repurchased and the total cash amount paid (including related fees and expenses), together with a write-off of unamortized debt issuance costs. We used the remaining net proceeds of the Common Shares offering and 2025 Convertible Notes offering for further repurchases of 2021 Luxembourg Notes and for other general corporate purposes, including repurchases of other tranches of debt of Intelsat S.A.’s subsidiaries.

The 2025 Convertible Notes mature on June 15, 2025 unless earlier repurchased, converted or redeemed, as set forth in the indenture governing the 2025 Convertible Notes (the “2025 Indenture”). Holders may elect to convert their notes depending upon the trading price of our common shares and under other conditions set forth in the 2025 Indenture until December 15, 2024, and thereafter without regard to any conditions. The initial conversion rate is 55.0085 common shares per \$1,000 principal amount of notes, which is equivalent to an initial conversion price of approximately \$18.18 per common share, subject to customary adjustments, and will be increased upon the occurrence of specified events set forth in the 2025 Indenture. We may redeem the 2025 Convertible Notes at our option, on or after June 15, 2022, and prior to the forty-second scheduled

trading day preceding the maturity date, in whole or in part, depending upon the trading price of our common shares as set forth in the optional redemption provisions in the 2025 Indenture or in the event of certain developments affecting taxation with respect to the 2025 Convertible Notes. Based on the closing price of our common shares of \$21.39 on December 31, 2018, the if-converted value of the 2025 Convertible Notes was greater than the aggregate principal amount. However, the 2025 Convertible Notes are not currently convertible based on the conditions set forth in the 2025 Indenture.

In accounting for the transaction, the 2025 Convertible Notes were separated into liability and equity components. The carrying amount of the liability component was calculated by measuring the fair value of a similar debt instrument that does not have an associated convertible feature. The carrying amount of the equity component is \$149.4 million, which is also recognized as a discount on the 2025 Convertible Notes and represents the value assigned to the conversion option which was determined by deducting the fair value of the liability component from the par value of the 2025 Convertible Notes. The \$149.4 million equity component is included in additional paid-in capital on our consolidated balance sheet as of June 30, 2018 and will not be remeasured as long as it continues to meet the conditions for equity classification. The excess of the principal amount of the liability component over its carrying amount was recorded as a discount on the 2025 Convertible Notes and will be amortized to interest expense over the contractual term of the 2025 Convertible Notes at an effective interest rate of 13.0%.

We incurred debt issuance costs of \$12.7 million related to the 2025 Convertible Notes, which were allocated to the liability and equity components based on their relative values. Issuance costs attributable to the liability component were \$7.3 million and will be amortized to interest expense using the effective interest method over the contractual term of the 2025 Convertible Notes. Issuance costs attributable to the equity component were netted against the equity component in additional paid-in capital.

Interest expense for the year ended December 31, 2018 related to the 2025 Convertible Notes was as follows (in thousands):

	Year Ended December 31, 2018	
Coupon interest	\$	9,710
Amortization of discount and prepaid debt issuance costs		7,654
Total interest expense	\$	<u>17,364</u>

August 2018 Intelsat Connect Senior Notes Refinancing and Exchange of Intelsat Luxembourg Senior Notes

In August 2018, Intelsat Connect completed an offering of \$1.25 billion aggregate principal amount of 9.5% Senior Notes due 2023 (the "2023 ICF Notes"). These notes are guaranteed by Intelsat Envision and Intelsat Luxembourg. Intelsat Connect used the net proceeds from the offering to repurchase or redeem all \$731.9 million outstanding aggregate principal amount of its 12.5% Senior Notes due 2022 (the "2022 ICF Notes"). The remaining net proceeds from the offering were used to repurchase approximately \$448.9 million of aggregate principal amount of Intelsat Jackson's 7.25% Senior Notes due 2020 (the "2020 Jackson Notes") and \$30.0 million aggregate principal amount of other unsecured notes of Intelsat Jackson. Also in August 2018, Intelsat Connect and Intelsat Envision completed debt exchanges receiving new notes issued by Intelsat Luxembourg, which mature in August 2026 and have an interest rate of 13.5% in exchange for \$1.58 billion aggregate principal amount of 2021 Luxembourg Notes that were previously held by Intelsat Connect and Intelsat Envision. In connection with these transactions, we recognized a loss on extinguishment of debt of \$188.2 million, consisting of the difference between the carrying value of the debt and the total cash amount paid (including related fees and expenses), together with a write-off of unamortized debt issuance costs and unamortized discount or premium, if applicable.

September 2018 Intelsat Jackson Senior Notes Offering and Tender Offer

In September 2018, Intelsat Jackson completed an offering of \$2.25 billion aggregate principal amount of 8.5% Senior Notes due 2024 (the "2024 Jackson Senior Unsecured Notes"). The notes are guaranteed by all of Intelsat Jackson's subsidiaries that guarantee its obligations under the Intelsat Jackson Secured Credit Agreement, as well as by certain of Intelsat Jackson's parent entities. Intelsat Jackson used the net proceeds from the offering to repurchase through a tender offer and redeem all remaining outstanding 2020 Jackson Notes. The remaining net proceeds from the 2024 Jackson Senior Unsecured Notes offering were used to repurchase and redeem \$195.3 million aggregate principal amount of Intelsat Jackson's 7.5% Senior Notes due 2021 (the "2021 Jackson Notes") as of September 30, 2018, \$246.0 million additional aggregate principal amount of 2021 Jackson Notes in October 2018, and to pay related fees and expenses. In connection with the repurchase and redemption, we recognized a loss on extinguishment of debt of \$15.9 million, consisting of the difference between the carrying value of the debt and the total cash amount paid (including related fees and expenses), together with a write-off of unamortized debt issuance costs and unamortized premium, if applicable.

October 2018 Intelsat Jackson Senior Notes Add-On Offering and Redemption of 2021 Jackson Notes

In October 2018, Intelsat Jackson completed an add-on offering of \$700.0 million aggregate principal amount of its 2024 Jackson Senior Unsecured Notes. The net proceeds from the add-on offering, together with cash on hand, were used to repurchase and redeem all of the remaining approximately \$708.7 million aggregate principal amount of outstanding 2021 Jackson Notes in October 2018 that were not earlier repurchased or redeemed, and to pay related fees and expenses. In connection with the repurchase, we recognized a loss on extinguishment of debt of \$17.8 million, consisting of the difference between the carrying value of the debt and the total cash amount paid (including related fees and expenses), together with a write-off of unamortized debt issuance costs.

2017 Debt Transactions

January 2017 Intelsat Luxembourg Exchange Offer

In January 2017, Intelsat Luxembourg completed a debt exchange (the “Second 2018 Luxembourg Exchange”), whereby it exchanged \$403.3 million aggregate principal amount of its 2018 Luxembourg Notes for an equal aggregate principal amount of newly issued unsecured 12.5% Senior Notes due 2024 (the “2024 Luxembourg Notes”). The Second 2018 Luxembourg Exchange consisted of \$377.6 million aggregate principal amount of 2018 Luxembourg Notes held by ICF as a result of a previous debt exchange, together with \$25 million aggregate principal amount of 2018 Luxembourg Notes repurchased by us in the fourth quarter of 2015. We consolidate ICF, the holder of the 2018 Luxembourg Notes exchanged in the Second 2018 Luxembourg Exchange.

July 2017 Intelsat Jackson Senior Notes Refinancing

On July 5, 2017, Intelsat Jackson completed an offering of \$1.5 billion aggregate principal amount of 9.75% Senior Notes due 2025 (the “2025 Jackson Notes”). These notes are guaranteed by all of Intelsat Jackson’s subsidiaries that guarantee its obligations under the Intelsat Jackson Secured Credit Agreement and senior notes, as well as by certain of Intelsat Jackson’s parent entities. Also on July 5, 2017, the net proceeds from the sale of the 2025 Jackson Notes were used, along with other available cash, to satisfy and discharge all \$1.5 billion aggregate principal amount of Intelsat Jackson’s 7.25% Senior Notes due 2019. In connection with the satisfaction and discharge, we recognized a loss on early extinguishment of debt of \$4.6 million, consisting of the difference between the carrying value of the debt redeemed and the total cash amount paid (including related fees and expenses), together with a write-off of unamortized debt issuance costs.

November & December 2017 Amendments to Intelsat Jackson Senior Secured Credit Facility

In November and December 2017, Intelsat Jackson entered into amendments of the Intelsat Jackson Secured Credit Agreement. See—Description of Indebtedness—*Intelsat Jackson—Intelsat Jackson Senior Secured Credit Agreement*, below.

Description of Indebtedness

(a) Intelsat S.A.

4 ½% Convertible Senior Notes due 2025

In June 2018, we completed an offering of \$402.5 million aggregate principal amount of the 2025 Convertible Notes. See—*2018 Debt and Other Capital Markets Transactions—June 2018 Intelsat S.A. Senior Convertible Notes Offering and Common Shares Offering*, above.

(b) Intelsat Luxembourg

7 ¾% Senior Notes due 2021

Intelsat Luxembourg had \$421.2 million in aggregate principal amount of the 2021 Luxembourg Notes outstanding at December 31, 2018. The 2021 Luxembourg Notes bear interest at 7 ¾% annually and mature in June 2021. The 2021 Luxembourg Notes are guaranteed by Intelsat S.A., Intelsat Investment Holdings S.à r.l., Intelsat Holdings S.A. and Intelsat Investments S.A. (the “Parent Guarantors”).

Interest is payable on the 2021 Luxembourg Notes semi-annually on June 1 and December 1. Intelsat Luxembourg may redeem some or all of the notes at the applicable redemption prices set forth in the notes.

The 2021 Luxembourg Notes are senior unsecured obligations of Intelsat Luxembourg and rank equally with Intelsat Luxembourg's other senior unsecured indebtedness.

8 ¼% Senior Notes due 2023

Intelsat Luxembourg had \$1.0 billion in aggregate principal amount of the 2023 Luxembourg Notes outstanding at December 31, 2018. \$111.7 million principal amount was held by Intelsat Jackson. The 2023 Luxembourg Notes bear interest at 8 ¼% annually and mature in June 2023. The 2023 Luxembourg Notes are guaranteed by the Parent Guarantors.

Interest is payable on the 2023 Luxembourg Notes semi-annually on June 1 and December 1. Intelsat Luxembourg may redeem some or all of the notes at the applicable redemption prices set forth in the notes.

The 2023 Luxembourg Notes are senior unsecured obligations of Intelsat Luxembourg and rank equally with Intelsat Luxembourg's other senior unsecured indebtedness.

12 ½% Senior Notes due 2024

Intelsat Luxembourg had \$403.4 million in aggregate principal amount of the 2024 Luxembourg Notes outstanding at December 31, 2018. \$182.0 million principal amount was held by ICF, \$220.6 million was held by Intelsat Jackson and \$0.7 million was held by Intelsat Envision. The 2024 Luxembourg Notes bear interest at 12 ½% annually and mature in November 2024.

Interest is payable on the 2024 Luxembourg Notes semi-annually on May 15 and November 15.

The 2024 Luxembourg Notes are senior unsecured obligations of Intelsat Luxembourg and rank equally with Intelsat Luxembourg's other senior unsecured indebtedness.

(c) Intelsat Connect Finance

9 ½% Senior Notes due 2023

ICF had \$1.3 billion in aggregate principal amount of 2023 ICF Notes outstanding at December 31, 2018. The 2023 ICF Notes bear interest at 9 ½% annually and mature in February 2023. These notes are guaranteed by Intelsat Envision and Intelsat Luxembourg.

Interest is payable on the 2023 ICF Notes semi-annually on June 15 and December 15. ICF may redeem the 2023 ICF Notes, in whole or in part, prior to August 15, 2020, at a price equal to 100% of the principal amount plus the applicable premium described in the notes. Thereafter, ICF may redeem some or all of the notes at the applicable redemption prices set forth in the notes.

(d) Intelsat Jackson

9 ½% Senior Secured Notes due 2022

Intelsat Jackson had \$490.0 million in aggregate principal amount of 2022 Jackson Secured Notes outstanding at December 31, 2018. The 2022 Jackson Secured Notes bear interest at 9 ½% annually and mature in September 2022. These notes are guaranteed by ICF and certain of Intelsat Jackson's subsidiaries.

Interest is payable on the 2022 Jackson Secured Notes semi-annually on March 30 and September 30. Intelsat Jackson may redeem some or all of the notes at the applicable redemption prices set forth in the notes.

The 2022 Jackson Secured Notes are senior secured obligations of Intelsat Jackson.

8% Senior Secured Notes due 2024

Intelsat Jackson had \$1.3 billion in aggregate principal amount of 2024 Jackson Secured Notes outstanding at December 31, 2018. The 2024 Jackson Secured Notes bear interest at 8% annually and mature in February 2024. These notes are guaranteed by ICF and certain of Intelsat Jackson's subsidiaries.

Interest is payable on the 2024 Jackson Secured Notes semi-annually on February 15 and August 15. Intelsat Jackson may redeem some or all of the notes at the applicable redemption prices set forth in the notes.

The 2024 Jackson Secured Notes are senior secured obligations of Intelsat Jackson.

5 ½% Senior Notes due 2023

Intelsat Jackson had \$2.0 billion in aggregate principal amount of the 2023 Jackson Notes outstanding at December 31, 2018. The 2023 Jackson Notes bear interest at 5 ½% annually and mature in August 2023. These notes are guaranteed by the Parent Guarantors, Intelsat Luxembourg, ICF and certain of Intelsat Jackson's subsidiaries.

Interest is payable on the 2023 Jackson Notes semi-annually on February 1 and August 1. Intelsat Jackson may redeem some or all of the 2023 Jackson Notes at the applicable redemption prices set forth in the notes.

The 2023 Jackson Notes are senior unsecured obligations of Intelsat Jackson and rank equally with Intelsat Jackson's other senior unsecured indebtedness.

9 ¾% Senior Notes due 2025

Intelsat Jackson had \$1.5 billion in aggregate principal amount of the 2025 Jackson Notes outstanding at December 31, 2018. The 2025 Jackson Notes bear interest at 9 ¾% annually and mature in July 2025. These notes are guaranteed by the Parent Guarantors, Intelsat Luxembourg, ICF and certain of Intelsat Jackson's subsidiaries.

Interest is payable on the 2025 Jackson Notes semi-annually on January 15 and July 15. Intelsat Jackson may redeem some or all of the 2025 Jackson Notes at any time prior to July 15, 2021 at a price equal to 100% of the principal amount thereof plus the applicable premium described in the notes. Thereafter, Intelsat Jackson may redeem some or all of the notes at the applicable redemption prices set forth in the notes.

The 2025 Jackson Notes are senior unsecured obligations of Intelsat Jackson and rank equally with Intelsat Jackson's other senior unsecured indebtedness.

8 ½% Senior Unsecured Notes due 2024

Intelsat Jackson had \$3.0 billion in aggregate principal amount of the 2024 Jackson Senior Unsecured Notes outstanding at December 31, 2018. The 2024 Jackson Senior Unsecured Notes bear interest at 8 ½% annually and mature in October 2024. These notes are guaranteed by the Parent Guarantors, Intelsat Luxembourg, ICF and certain of Intelsat Jackson's subsidiaries.

Interest is payable on the 2024 Jackson Senior Unsecured Notes semi-annually on April 15 and October 15. Intelsat Jackson may redeem some or all of the 2024 Jackson Senior Unsecured Notes at any time prior to October 15, 2020 at a price equal to 100% of the principal amount thereof plus the applicable premium described in the notes. Thereafter, Intelsat Jackson may redeem some or all of the 2024 Jackson Senior Unsecured Notes at the applicable redemption prices set forth in the notes.

The 2024 Jackson Senior Unsecured Notes are senior unsecured obligations of Intelsat Jackson and rank equally with Intelsat Jackson's other senior unsecured indebtedness.

Intelsat Jackson Senior Secured Credit Agreement

On January 12, 2011, Intelsat Jackson entered into a secured credit agreement (the "Intelsat Jackson Secured Credit Agreement"), which included a \$3.25 billion term loan facility and a \$500.0 million revolving credit facility, and borrowed the full \$3.25 billion under the term loan facility. The term loan facility required regularly scheduled quarterly payments of principal equal to 0.25% of the original principal amount of the term loan beginning six months after January 12, 2011, with the remaining unpaid amount due and payable at maturity.

On October 3, 2012, Intelsat Jackson entered into an Amendment and Joinder Agreement (the "Jackson Credit Agreement Amendment"), which amended the Intelsat Jackson Secured Credit Agreement. As a result of the Jackson Credit Agreement Amendment, interest rates for borrowings under the term loan facility and the revolving credit facility were reduced. In April 2013, our corporate family rating was upgraded by Moody's, and as a result, the interest rate for the borrowing under the term loan facility and revolving credit facility were further reduced to LIBOR plus 3.00% or the Above Bank Rate ("ABR") plus 2.00%.

On November 27, 2013, Intelsat Jackson entered into a Second Amendment and Joinder Agreement (the “Second Jackson Credit Agreement Amendment”), which further amended the Intelsat Jackson Secured Credit Agreement. The Second Jackson Credit Agreement Amendment reduced interest rates for borrowings under the term loan facility and extended the maturity of the term loan facility. In addition, it reduced the interest rate applicable to \$450 million of the \$500 million total revolving credit facility and extended the maturity of such portion. As a result of the Second Jackson Credit Agreement Amendment, interest rates for borrowings under the term loan facility and the new tranche of the revolving credit facility were (i) LIBOR plus 2.75%, or (ii) the ABR plus 1.75%. The LIBOR and the ABR, plus applicable margins, related to the term loan facility and the new tranche of the revolving credit facility were determined as specified in the Intelsat Jackson Secured Credit Agreement, as amended by the Second Jackson Credit Agreement Amendment, and the LIBOR was not to be less than 1.00% per annum. The maturity date of the term loan facility was extended from April 2, 2018 to June 30, 2019 and the maturity of the new \$450 million tranche of the revolving credit facility was extended from January 12, 2016 to July 12, 2017. The interest rates and maturity date applicable to the \$50 million tranche of the revolving credit facility that was not amended did not change. The Second Jackson Credit Agreement Amendment further removed the requirement for regularly scheduled quarterly principal payments under the term loan facility.

In June 2017, Intelsat Jackson terminated all remaining commitments under its revolving credit facility.

On November 27, 2017, Intelsat Jackson entered into a Third Amendment and Joinder Agreement (the “Third Jackson Credit Agreement Amendment”), which further amended the Intelsat Jackson Secured Credit Agreement. The Third Jackson Credit Agreement Amendment extended the maturity date of \$2.0 billion of the existing floating rate B-2 Tranche of term loans (the “B-3 Tranche Term Loans”), to November 27, 2023, subject to springing maturity in the event that certain series of Intelsat Jackson’s senior notes are not refinanced prior to the dates specified in the Third Jackson Credit Agreement Amendment. The B-3 Tranche Term Loans have an applicable interest rate margin of 3.75% for LIBOR loans and 2.75% for base rate loans (at Intelsat Jackson’s election as applicable).

The B-3 Tranche Term Loans were subject to a prepayment premium of 1.00% of the principal amount for any voluntary prepayment of, or amendment or modification in respect of, the B-3 Tranche Term Loans prior to November 27, 2018 in connection with prepayments, amendments or modifications that have the effect of reducing the applicable interest rate margin on the B-3 Tranche Term Loans, subject to certain exceptions. The Third Jackson Credit Agreement Amendment also (i) added a provision requiring that, beginning with the fiscal year ending December 31, 2018, Intelsat Jackson to apply a certain percentage of its Excess Cash Flow (as defined in the Third Jackson Credit Agreement Amendment), if any, after operational needs for each fiscal year towards the repayment of outstanding term loans, subject to certain deductions, (ii) amended the most-favored nation provision with respect to the incurrence of certain indebtedness by Intelsat Jackson and its restricted subsidiaries, and (iii) amended the covenant limiting the ability of Intelsat Jackson to make certain dividends, distributions and other restricted payments to its shareholders based on its leverage level at that time.

On December 12, 2017, Intelsat Jackson further amended the Intelsat Jackson Secured Credit Agreement by entering into a Fourth Amendment and Joinder Agreement (the “Fourth Jackson Credit Agreement Amendment”), which, among other things, (i) permitted Intelsat Jackson to establish one or more series of additional incremental term loan tranches if the proceeds thereof are used to refinance an existing tranche of term loans, and (ii) added a most-favored nation provision applicable to the B-3 Tranche Term Loans for further extensions of the existing floating rate B-2 Tranche Term Loans under certain circumstances.

On January 2, 2018, Intelsat Jackson entered into a Fifth Amendment and Joinder Agreement (the “Fifth Jackson Credit Agreement Amendment”), which further amended the Intelsat Jackson Secured Credit Agreement. The Fifth Jackson Credit Agreement Amendment refinanced the remaining \$1.095 billion B-2 Tranche Term Loans, through the creation of (i) a new incremental floating rate tranche of term loans with a principal amount of \$395.0 million (the “B-4 Tranche Term Loans”), and (ii) a new incremental fixed rate tranche of term loans with a principal amount of \$700.0 million (the “B-5 Tranche Term Loans”). The maturity date of both the B-4 Tranche Term Loans and the B-5 Tranche Term Loans is January 2, 2024, subject to springing maturity in the event that certain series of Intelsat Jackson’s senior notes are not refinanced or repaid prior to the dates specified in the Fifth Jackson Credit Agreement Amendment. The B-4 Tranche Term Loans have an applicable interest rate margin of 4.50% per annum for LIBOR loans and 3.50% per annum for base rate loans (at Intelsat Jackson’s election as applicable). We entered into interest rate cap contracts in December 2017 and amended them in May 2018 to mitigate the risk of interest rate increases on the B-4 Tranche Term Loans. The B-5 Tranche Term Loans have an interest rate of 6.625% per annum. The Fifth Jackson Credit Agreement Amendment also specified make-whole and prepayment premiums applicable to the B-4 Tranche Term Loans and the B-5 Tranche Term Loans at various dates.

Intelsat Jackson’s obligations under the Intelsat Jackson Secured Credit Agreement are guaranteed by ICF and certain of Intelsat Jackson’s subsidiaries. Intelsat Jackson’s obligations under the Intelsat Jackson Secured Credit Agreement are secured

by a first priority security interest in substantially all of the assets of Intelsat Jackson and the guarantors party thereto, to the extent legally permissible and subject to certain agreed exceptions, and by a pledge of the equity interests of the subsidiary guarantors and the direct subsidiaries of each guarantor, subject to certain exceptions, including exceptions for equity interests in certain non-U.S. subsidiaries, existing contractual prohibitions and prohibitions under other legal requirements.

The Intelsat Jackson Secured Credit Agreement following a further amendment in November 2018 includes one financial covenant: Intelsat Jackson must maintain a consolidated secured debt to consolidated EBITDA ratio equal to or less than 3.50 to 1.00 at the end of each fiscal quarter as such financial measure is defined in the Intelsat Jackson Secured Credit Agreement. Intelsat Jackson was in compliance with this financial maintenance covenant ratio with a consolidated secured debt to consolidated EBITDA ratio of 2.94 to 1.00 as of December 31, 2018.

Note 13 Derivative Instruments and Hedging Activities

Undesignated Interest Rate Cap Contracts

During 2017, we entered into interest rate cap contracts, and amended them in May 2018, to mitigate the risk of interest rate increases on the floating rate portion of our senior secured credit facilities with a notional value of \$2.4 billion. The fair value of the derivative included in "Other assets" on the consolidated balance sheet as of December 31, 2017 and 2018 was \$22.3 million and \$33.1 million, respectively.

Preferred Stock Warrant

During 2017, we were issued a warrant to purchase preferred shares of one of our investments. We concluded that the warrant is a free standing derivative in accordance with FASB ASC 815. The fair value of the derivative, included in "Other assets" on the consolidated balance sheet as of December 31, 2017 and 2018 was \$4.1 million.

The following table sets forth the fair value of our derivatives by category (in thousands):

Derivatives not designated as hedging instruments	Balance Sheet Location	December 31, 2017	December 31, 2018
Undesignated interest rate cap	Other assets	\$ 22,336	\$ 33,086
Preferred stock warrant	Other assets	4,100	4,100
Total derivatives		\$ 26,436	\$ 37,186

The following table sets forth the effect of the derivative instruments in our consolidated statements of operations (in thousands):

Derivatives not designated as hedging instruments	Presentation in Statement of Operations	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018
Undesignated interest rate cap	Included in interest expense, net	\$ —	\$ 1,006	\$ (14,435)
Preferred stock warrant	Included in other expense, net	—	—	—
Total loss (gain) on derivative financial instruments		\$ —	\$ 1,006	\$ (14,435)

Note 14 Income Taxes

In October 2016, the FASB issued ASU 2016-16, Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory, which is intended to improve the accounting for the income tax consequences of intra-entity transfers of assets other than inventory. The amendments in ASU 2016-16 eliminate the current requirement to defer the recognition of current and deferred income taxes for an intra-entity asset transfer until the asset has been sold to an outside party. ASU 2016-16 is effective for interim and annual periods beginning after December 15, 2017 for public business entities, on a modified retrospective basis. Early adoption is permitted as of the beginning of an annual reporting period for which interim or annual financial statements have not been issued. We adopted the amendments in the first quarter of 2018 and this resulted in approximately a \$170 million benefit to accumulated deficit. The benefit relates to certain deferred intercompany gains/losses,

mostly in connection with a series of intercompany transactions in 2011 and 2017 and related steps that reorganized the ownership of our assets among our subsidiaries.

On December 22, 2017, the U.S. Tax Cuts and Jobs Act (the “Act”) was signed into law. The Act includes a number of provisions, including the lowering of the U.S. corporate tax rate from 35 percent to 21 percent, effective January 1, 2018. The Act limits our U.S. interest expense deductions to approximately 30 percent of EBITDA through December 31, 2021 and approximately 30 percent of earnings before net interest and taxes thereafter. The Act also introduced a new minimum tax, the Base Erosion Anti-Abuse Tax (“BEAT”). We are treating the BEAT as a period cost.

The Company recognized the income tax effects of The Act in its 2017 financial statements in accordance with Staff Accounting Bulletin No. 118, which provides SEC staff guidance for the application of ASC Topic 740, Income Taxes, in the reporting period in which The Act was signed into law.

The Company measures deferred tax assets and liabilities using enacted tax rates that will apply in the years in which the temporary differences are expected to be recovered or paid. Accordingly, the company’s U.S. deferred tax assets and liabilities were remeasured to reflect the reduction in the U.S. corporate income tax rate from 35 percent to 21 percent, resulting in a \$28.0 million decrease in net deferred tax liabilities as of December 31, 2017.

On July 2, 2018, we implemented a series of internal transactions and related steps that reorganized the ownership of certain of our assets among our subsidiaries in order to enhance our ability to efficiently transact business (the “2018 Internal Reorganization”). The 2018 Internal Reorganization resulted in the majority of our operations being owned by a U.S. partnership, with our wholly owned Luxembourg and U.S. subsidiaries as partners. Our tax expense recorded in the year ended December 31, 2018 was largely attributable to the 2018 Internal Reorganization, during which we recorded a deferred tax liability associated with the partners’ outside basis in the partnership.

The following table summarizes our total income (loss) before income taxes (in thousands):

	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018
Domestic income (loss) before income taxes	\$ 938,156	\$ (18,149)	\$ (424,590)
Foreign income (loss) before income taxes	71,942	(85,535)	(41,031)
Total income (loss) before income taxes	\$ 1,010,098	\$ (103,684)	\$ (465,621)

The primary reason for the variance in domestic income before income tax was that our Luxembourg entities recorded a net gain on the extinguishment of debt in 2016. No comparable amount was recorded in 2017 or 2018.

The provision for (benefit from) income taxes consisted of the following (in thousands):

	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018
Current income tax provision (benefit)			
Domestic	\$ (35)	\$ (125)	\$ 792
Foreign	25,721	27,309	50,117
Total	25,686	27,184	50,909
Deferred income tax provision (benefit):			
Domestic	(80)	72	—
Foreign	(9,620)	43,874	79,160
Total	(9,700)	43,946	79,160
Total income tax provision:	\$ 15,986	\$ 71,130	\$ 130,069

The income tax provision (benefit) was different from the amount computed using the Luxembourg statutory income tax rate of 26.01% for the reasons set forth in the following table (in thousands):

	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018
Expected tax provision (benefit) at Luxembourg statutory income tax rate	\$ 295,150	\$ (28,078)	\$ (121,108)
Foreign income tax differential	51,787	66,242	2,216
Lux Financing Activities	(8,279)	30,232	51,250
Tax deductible impairment charges in Luxembourg subsidiaries	(1,280,759)	—	—
Change in tax rate	416,156	(28,250)	(684)
Changes in unrecognized tax benefits	(1,629)	(79)	(2,205)
Changes in valuation allowance	554,479	40,853	746,905
Tax effect of 2011 Intercompany Sale	(6,701)	(6,073)	1,655
Foreign tax credits	(5,480)	(3,107)	138
Research and development tax credits	(3,275)	(2,786)	—
2018 Internal Reorganization	—	—	(549,382)
Other	4,537	2,176	1,284
Total income tax provision	\$ 15,986	\$ 71,130	\$ 130,069

The majority of our operations are located in Luxembourg, the United States and the United Kingdom. Our Luxembourg companies that file tax returns as a consolidated group generated taxable income for the year ended December 31, 2018, largely due to the 2018 Internal Reorganization. The taxable income generated by our Luxembourg group was offset by available net operating loss carryforwards. Due to the inherent uncertainty associated with the realization of taxable income in the foreseeable future, we recorded a full valuation allowance against the net operating losses generated in Luxembourg. The difference between tax expense reported in the consolidated statements of operations and tax computed at statutory rates is attributable to the valuation allowance on losses generated in Luxembourg, the provision for foreign taxes, which were principally in the United States and the United Kingdom, as well as withholding taxes on revenue earned in Brazil, and for 2018, the impacts of the 2018 Internal Reorganization.

The following table details the composition of the net deferred tax balances as of December 31, 2017 and 2018 (in thousands):

	As of December 31, 2017	As of December 31, 2018
Long-term deferred taxes, net	\$ (48,434)	\$ (82,488)
Other assets	14,583	20,969
Net deferred taxes	\$ (33,851)	\$ (61,519)

The components of the net deferred tax liability were as follows (in thousands):

	As of December 31, 2017	As of December 31, 2018
Deferred tax assets:		
Accruals and advances	\$ 17,169	\$ 6,001
Amortizable intangible assets	13,421	1,133,702
Non-Amortizable intangible assets	147,332	42,265
Performance incentives	7,289	—
Customer deposits	16,064	3,404
Bad debt reserve	2,033	1,350
Accrued retirement benefits	43,592	—
Disallowed interest expense carryforward	75,546	74,825
Net operating loss carryforward	3,840,759	2,964,634
Tax credits	11,335	12,235
Tax basis differences in investments and affiliates	—	78,950
Other	8,418	2,346
Total deferred tax assets	4,182,958	4,319,712
Deferred tax liabilities:		
Satellites and other property and equipment	(266,330)	(80,376)
Amortizable intangible assets	(366,777)	(8,948)
Non-amortizable intangible assets	(103,730)	(31,359)
Tax basis differences in investments and affiliates	(6,753)	(51,645)
Other	(16,875)	(5,654)
Total deferred tax liabilities	(760,465)	(177,982)
Valuation allowance	(3,456,344)	(4,203,249)
Total net deferred tax liabilities	\$ (33,851)	\$ (61,519)

As of December 31, 2017 and 2018, our consolidated balance sheets included a deferred tax asset in the amount of \$3.8 billion and \$3.0 billion, respectively, attributable to the future benefit from the utilization of certain net operating loss carryforwards. In addition, our balance sheets as of December 31, 2017 and December 31, 2018 included \$15.4 million and \$12.2 million of deferred tax assets, respectively, attributable to the future benefit from the utilization of tax credit carryforwards. As of December 31, 2018, we had tax-effected U.S. federal, state and other foreign tax net operating loss carryforwards of \$64.7 million expiring, for the most part, between 2023 and 2037, and tax effected Luxembourg net operating loss carryforwards of \$2.9 billion without expiration. These Luxembourg net operating loss carryforwards were caused primarily by our interest expense, satellite depreciation and amortization and impairment charges related to investments in subsidiaries, goodwill and other intangible assets. Our research and development credit of \$0.07 million may be carried forward to 2037. Our foreign tax credit of \$12.1 million may be carried forward to 2026.

Our valuation allowance as of December 31, 2017 and 2018 was \$3.5 billion and \$4.2 billion, respectively. Almost all of the valuation allowance relates to Luxembourg net operating loss carryforwards and deferred tax assets created by differences between the U.S. GAAP and the Luxembourg tax basis in our assets. Certain operations of our subsidiaries are controlled by various intercompany agreements which provide these subsidiaries with predictable operating profits. Other subsidiaries, principally Luxembourg and U.S. subsidiaries, are subject to the risks of our overall business conditions which make their earnings less predictable. Our valuation allowance as of December 31, 2018 also relates to certain deferred tax assets in our U.S. subsidiaries, including foreign tax credit carryforward and disallowed interest expense carryforward.

The following table summarizes the activity related to our unrecognized tax benefits (in thousands):

	2017	2018
Balance at January 1	\$ 36,167	\$ 31,380
Increases related to current year tax positions	2,193	928
Increases related to prior year tax positions	304	234
Decreases related to prior year tax positions	(3)	(81)
Expiration of statute of limitations for the assessment of taxes	(7,281)	(3,317)
Balance at December 31	\$ 31,380	\$ 29,144

As of December 31, 2017 and December 31, 2018 our gross unrecognized tax benefits were \$31.4 million and \$29.1 million, respectively (including interest and penalties), of which \$27.8 million and \$25.6 million, respectively, if recognized, would affect our effective tax rate. As of December 31, 2017 and 2018, we had recorded reserves for interest and penalties in the amount of \$0.6 million. We continue to recognize interest and, to the extent applicable, penalties with respect to the unrecognized tax benefits as income tax expense. Since December 31, 2018, the change in the balance of unrecognized tax benefits consisted of an increase of \$0.9 million related to current tax positions, an increase of \$0.1 million related to prior tax positions, and a decrease of \$3.3 million due to the expiration of statute of limitations for the assessment of taxes.

We operate in various taxable jurisdictions throughout the world and our tax returns are subject to audit and review from time to time. We consider Luxembourg, the United States, the United Kingdom and Brazil to be our significant tax jurisdictions. Our Luxembourg, U.S., United Kingdom and Brazilian subsidiaries are subject to income tax examination for periods after December 31, 2012. Within the next twelve months, we believe that there are no jurisdictions in which the outcome of unresolved tax issues or claims is likely to be material to our results of operations, financial position or cash flows.

Certain of our UK and U.S. subsidiaries have been in a dispute with the Indian tax administration over withholding taxes. This dispute stretches over many tax years, some as early as 2001. The assessments we have received for those years are in various stages of appeal, some in the Indian court system. So far, the Indian courts have ruled in our favor. We have been informed that certain lower court decisions are likely to be reviewed by the Indian Supreme Court in the near future. We believe it to be more likely than not that the Indian Supreme Court will rule in our favor. We do not expect even an unfavorable ruling to have any material effect on our results of operations, financial position or cash flows, because most of the disputed withholding taxes relate to customer contracts under which our customers indemnified us for such taxes.

On March 29, 2017, the UK Government gave formal notice of its intention to leave the European Union (“EU”). This notice started the two-year negotiation period to establish the withdrawal terms. Once the UK ultimately withdraws from the EU, existing tax reliefs and exemptions on intra-European transactions will likely cease to apply to transactions between UK entities and EU entities. In addition, transactions with non-EU countries, such as the U.S., may also be affected. As of December 31, 2018, all relevant tax laws and treaties remain unchanged and the tax consequences are unknown. Therefore, we have not recognized any impacts of the withdrawal in the income tax provision as of December 31, 2018. We will recognize any impacts to the tax provision when enacted changes in tax laws or treaties between the UK and the EU or individual EU member states occur, but no later than the date of the withdrawal.

On December 13, 2018, the Internal Revenue Service and the Department of the Treasury released proposed regulations with respect to the BEAT. The BEAT is a minimum tax established by the Act that excludes certain payments made by U.S. corporations or subsidiaries to foreign related parties from the determination of taxable income. The proposed regulations clarify which taxpayers are subject to the BEAT and how the BEAT rules apply to certain payments and transactions. The proposed regulations, if adopted, would be effective for the Company for its 2018 tax year. The proposed regulations could result in additional payments and transactions of the Company being subject to the BEAT which could increase the Company’s tax expense and cash taxes. It is unclear when the proposed regulations will be adopted, whether they will be adopted in their current form or whether they will be adopted at all. The Company is currently evaluating the impact that the proposed regulations could have on its future tax expense. The Company has not included any impacts from the proposed regulations in its tax provision as of and for the year ended December 31, 2018.

Note 15 Contractual Commitments

In the further development and operation of our commercial global communications satellite system, significant additional expenditures are anticipated. In connection with these and other expenditures, we have a significant amount of long-term debt, as described in “Note 12—Long-Term Debt.” In addition to these debt and related interest obligations, we have expenditures represented by other contractual commitments. The additional expenditures as of December 31, 2018 and the expected year of payment are as follows (in thousands):

	Satellite Construction and Launch Obligations	Satellite Performance Incentive Obligations	Horizons-3 Satellite LLC Contribution Obligations (1)	Operating Leases	Sublease Rental Income	Customer and Vendor Contracts	Total
2019	\$ 273,875	\$ 59,783	\$ 4,500	\$ 20,065	\$ (826)	\$ 140,577	\$ 497,974
2020	216,615	50,021	11,700	18,730	(745)	37,492	333,813
2021	133,890	49,220	13,300	14,832	(535)	29,658	240,365
2022	11,842	38,503	15,700	13,979	(372)	26,510	106,162
2023	10,232	27,053	15,300	13,600	(78)	25,581	91,688
2024 and thereafter	47,915	131,136	43,600	80,216	(150)	41,505	344,222
Total contractual commitments	\$ 694,369	\$ 355,716	\$ 104,100	\$ 161,422	\$ (2,706)	\$ 301,323	\$ 1,614,224

(1) See Note 10(b)—Investments—Horizons-3 Satellite LLC.

(a) Satellite Construction and Launch Obligations

As of December 31, 2018, we had approximately \$694.4 million of expenditures remaining under our existing satellite construction and launch contracts. Satellite launch and in-orbit insurance contracts related to future satellites to be launched are cancelable up to thirty days prior to the satellite's launch. As of December 31, 2018, we did not have any non-cancelable commitments related to existing launch insurance or in-orbit insurance contracts for satellites to be launched.

The satellite construction contracts typically require that we make progress payments during the period of the satellites' construction. The satellite construction contracts contain provisions that allow us to terminate the contracts with or without cause. If terminated without cause, we would forfeit the progress payments and be subject to termination payments that escalate with the passage of time. If terminated for cause, we would be entitled to recover any payments we made under the contracts and certain liquidated damages as specified in the contracts.

(b) Satellite Performance Incentive Obligations

Satellite construction contracts also typically require that we make orbital incentive payments (plus interest as defined in each agreement with the satellite manufacturer) over the orbital life of the satellite. The incentive obligations may be subject to reduction or refund if the satellite fails to meet specific technical operating standards. As of December 31, 2018, we had \$355.7 million of satellite performance incentive obligations, including future interest payments.

(c) Operating Leases

We have commitments for operating leases primarily relating to equipment and office facilities, including our U.S. Administrative Headquarters in McLean, Virginia. As of December 31, 2018, the total obligation related to operating leases, net of sublease income on leased facilities and rental income, was \$158.7 million. Rental income and sublease income are included in other expense, net in the accompanying consolidated statements of operations.

Total rent expense for the years ended December 31, 2016, 2017 and 2018, was \$14.0 million, \$14.8 million and \$14.0 million, respectively.

(d) Customer and Vendor Contracts

We have contracts with certain customers that require us to provide equipment, services and other support during the term of the related contracts. We also have long-term contractual obligations with service providers primarily for the operation of certain of our satellites. As of December 31, 2018, we had commitments under these customer and vendor contracts which totaled approximately \$301.3 million related to the provision of equipment, services and other support.

Note 16 Contingencies

We are subject to litigation in the ordinary course of business. Management does not believe that the resolution of any pending proceedings would have a material adverse effect on our financial position or results of operations.

Note 17 Business and Geographic Segment Information

We operate in a single industry segment in which we provide satellite services to our communications customers around the world. Our revenues are disaggregated by billing region, service type and customer set. Revenue by region is based on the locations of customers to which services are billed. Our satellites are in geosynchronous orbit, and consequently are not attributable to any geographic location. Of our remaining assets, substantially all are located in the United States.

The following table disaggregates revenue by billing region (in thousands, except percentages):

	Year Ended December 31, 2016		Year Ended December 31, 2017		Year Ended December 31, 2018	
North America	\$ 1,077,886	49%	\$ 1,080,736	50%	\$ 1,112,774	51%
Europe	300,003	14%	272,039	13%	257,747	12%
Latin America and Caribbean	325,933	15%	304,379	14%	284,948	13%
Africa and Middle East	286,258	13%	292,505	14%	274,853	13%
Asia-Pacific	197,967	9%	198,953	9%	230,868	11%
Total	\$ 2,188,047	100%	\$ 2,148,612	100%	\$ 2,161,190	100%

Approximately 8%, 9% and 11% of our revenue was derived from our largest customer during each of the years ended December 31, 2016, 2017 and 2018, respectively. Our ten largest customers accounted for approximately 31%, 34% and 37% of our revenue for the years ended December 31, 2016, 2017 and 2018, respectively.

We earn revenue primarily by providing services to our customers using our satellite transponder capacity. Our customers generally obtain satellite capacity from us by placing an order pursuant to one of several master customer service agreements. On-network services are comprised primarily of services delivered on our owned network infrastructure, as well as commitments for third-party capacity, generally long-term in nature, that we integrate and market as part of our owned infrastructure. In the case of third-party services in support of government applications, the commitments for third-party capacity are shorter and matched to the government contracting period, and thus remain classified as off-network services. Off-network services can include transponder services and other satellite-based transmission services, such as mobile satellite services (“MSS”), which are sourced from other operators, often in frequencies not available on our network. Under the category Off-Network and Other Revenues, we also include revenues from consulting and other services.

The following table disaggregates revenue by type of service (in thousands, except percentages):

	Year Ended December 31, 2016		Year Ended December 31, 2017		Year Ended December 31, 2018	
On-Network Revenues						
Transponder services	\$ 1,561,108	72%	\$ 1,543,384	72%	\$ 1,570,278	73%
Managed services	414,758	19%	412,147	19%	393,264	18%
Channel	9,134	—%	5,405	—%	4,250	—%
Total on-network revenues	1,985,000	91%	1,960,936	91%	1,967,792	91%
Off-Network and Other Revenues						
Transponder, MSS and other off-network services	157,212	7%	141,845	7%	150,186	7%
Satellite-related services	45,835	2%	45,831	2%	43,212	2%
Total off-network and other revenues	203,047	9%	187,676	9%	193,398	9%
Total	\$ 2,188,047	100%	\$ 2,148,612	100%	\$ 2,161,190	100%

Our revenues for media, network services, government and satellite-related services were as follows: \$937.7 million, \$798.1 million, \$392.0 million, and \$33.4 million, respectively for the year ended December 31, 2018; \$910.1 million, \$851.6 million, \$352.6 million, and \$34.3 million, respectively for the year ended December 31, 2017; and \$868.1 million, \$900.3 million, \$387.1 million, and \$32.5 million, respectively for the year ended December 31, 2016.

Note 18 Related Party Transactions

(a) Shareholders' Agreements

Certain shareholders of Intelsat Global S.A. entered into shareholders' agreements on February 4, 2008. The shareholders' agreements were assigned to Intelsat S.A. by amendments effective as of March 30, 2012 in connection with our initial public offering in April 2013, and then terminated in December 2018 and replaced by a new agreement. The shareholders agreement provides, among other things, specific rights to and limitations upon the holders of Intelsat S.A.'s share capital with respect to shares held by such holders.

(b) Governance Agreement

Prior to the consummation of the IPO, we entered into a governance agreement with our shareholder affiliated with BC Partners (the "BC Shareholder"), our shareholder affiliated with Silver Lake (the "Silver Lake Shareholder") and David McGlade, our Non-Executive Chairman. This agreement was terminated in December 2018 and replaced with a new agreement between the BC Shareholder and the Company, containing provisions relating to the composition of our board of directors and certain other matters.

(c) Indemnification Agreements

We have entered into agreements with our executive officers and directors to provide contractual indemnification in addition to the indemnification provided for in our articles of incorporation.

(d) Horizons Holdings

We have a 50% ownership interest in Horizons Holdings as a result of a joint venture with JSAT (see Note 10(a)—Investments—Horizons Holdings).

(e) Horizons 3 Satellite LLC

We have a 50% ownership interest in Horizons 3 as a result of a joint venture with JSAT (see Note 10(b)—Investments—Horizons-3 Satellite LLC).

(f) Additional BC Shareholder Share Purchase in June 2018

In connection with an offering of common shares by the Company completed in June 2018, the BC Shareholder purchased an additional 2,021,563 shares of Intelsat S.A. at the public offering price of \$14.84 per share for approximately \$30.0 million in the aggregate.

Note 19 Quarterly Results of Operations (in thousands, unaudited)

2017	Quarter Ended			
	March 31	June 30	September 30	December 31
Revenue (1)	\$ 538,484	\$ 533,229	\$ 538,759	\$ 538,140
Income from operations (1)	216,727 (3)	228,245 (3)	233,165 (3)	232,944 (3)
Net loss	(33,642) (4)	(22,800)	(29,416) (4)	(88,956)
Net loss attributable to Intelsat S.A.	(34,570) (4)	(23,795)	(30,412) (4)	(89,951)
Net loss per share attributable to Intelsat S.A.:				
Basic (2)	\$ (0.29)	\$ (0.20)	\$ (0.26)	\$ (0.75)
Diluted (2)	(0.29)	(0.20)	(0.26)	(0.75)

2018	Quarter Ended			
	March 31	June 30	September 30	December 31
Revenue (1)	\$ 543,782	\$ 537,714	\$ 536,922	\$ 542,771
Income from operations (1)	234,472	237,755	237,269	232,374
Net loss	(65,849)	(45,840) (5)	(373,642) (5)	(110,359) (5)
Net loss attributable to Intelsat S.A.	(66,801)	(46,828) (5)	(374,631) (5)	(111,346) (5)
Net loss per share attributable to Intelsat S.A.:				
Basic (2)	\$ (0.56)	\$ (0.38)	\$ (2.74)	\$ (0.81)
Diluted (2)	(0.56)	(0.38)	(2.74)	(0.81)

- (1) Our quarterly revenue and operating income (loss) are generally not impacted by seasonality, as customer contracts for satellite utilization are generally long-term. Revenue increases are attributable to ASC 606 adjustments. Excluding the impact of ASC 606 adjustments, revenue declines were primarily due to a decrease in revenue from our network services customers, mainly due to declines for enterprise services, wireless infrastructure and point-to-point trunking applications, as well as a decrease in revenue from media customers. These declines were partially offset by an increase in revenue from our network services customers for maritime and mobility applications and an increase in revenue from off-network and third party applications.
- (2) Basic and diluted earnings per share are computed independently for each of the quarters presented. Therefore, the sum of quarterly basic and diluted per share information may not equal annual basic and diluted earnings per share.
- (3) As a result of our adoption of ASU 2017-07 on January 1, 2018, the Company reclassified a net credit for pension and postretirement benefits from operating expenses to other income for the quarters within 2017 to conform to the current year quarters' presentation. See Note 7—Retirement Plan and Other Retiree Benefits for additional details on the impact of the adoption of ASU 2017-07.
- (4) The quarter ended March 31, 2017 includes a \$0.5 million gain on early extinguishment of debt related to the Second 2018 Luxembourg Exchange described above. The quarter ended September 30, 2017 includes a \$4.6 million loss on early extinguishment of debt related to the July 2017 Intelsat Jackson Senior Notes Refinancing described above.
- (5) The quarter ended June 30, 2018 includes a \$22.1 million gain on early extinguishment of debt related to the repurchase of the 2021 Luxembourg Notes. The quarter ended September 30, 2018 includes a \$204.1 million loss on early extinguishment of debt related to the 2023 ICF Notes and the 2024 Jackson Senior Unsecured Notes. The quarter ended December 31, 2018 includes a \$17.8 million loss on early extinguishment of debt related to the repurchase of the 2024 Jackson Senior Unsecured Notes and the redemption of 2021 Jackson Notes (see Note 12—Long-Term Debt).

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions	Balance at End of Period
(in thousands)				
Year ended December 31, 2016:				
Allowance for doubtful accounts	\$ 37,178	\$ 24,591	\$ (7,025)	\$ 54,744
Year ended December 31, 2017:				
Allowance for doubtful accounts	\$ 54,744	\$ (4,094)	\$ (20,981)	\$ 29,669
Year ended December 31, 2018:				
Allowance for doubtful accounts	\$ 29,669	\$ (836)	\$ (291)	\$ 28,542

See accompanying notes to consolidated financial statements.

Intelsat S.A.

Société anonyme
Siège Social: 4, rue Albert Borschette - L-1246 Luxembourg
RCS Luxembourg B162135

- The Company has been incorporated under the name of “**Intelsat Global Holdings S.A.**” pursuant to a deed of **Maître Henri HELLINCKX**, notary with residence in Luxembourg, on July 8, 2011,
- The articles of incorporation have been amended for the last time pursuant to a deed of **Maître Edouard DELOSCH**, notary with residence in Luxembourg, acting in replacement of **Maître Cosita DELVAUX**, notary, residing in Luxembourg, on June 21st, 2018.
- La société a été constituée sous la dénomination de “**Intelsat Global Holdings S.A.**” suivant acte reçu par **Maître Henri HELLINCKX**, notaire de résidence à Luxembourg, en date du 8 juillet 2011,
- Les statuts ont été modifiés pour la dernière fois suivant acte reçu **Maître Edouard DELOSCH**, notaire de résidence à Luxembourg, agissant en remplacement de **Maître Cosita DELVAUX**, notaire de résidence à Luxembourg, en date du 21 juin 2018.

CONSOLIDATED ARTICLES OF INCORPORATION

AS AT 21ST JUNE, 2018

STATUTS COORDONNES AU 21 JUIN 2018

- *In case of discrepancies between the English and the French text, the English version will be binding.*
- *En cas de divergence entre le texte anglais et le texte français, le texte anglais fera foi.*

Art. 1. Form, Name. There exists among the shareholder(s) and all those who may become owners of the Shares hereafter a company in the form of a *société anonyme*, under the name of **Intelsat S.A.** (the “Company”).

Art. 2. Duration. The Company is established for an undetermined duration. The Company may be dissolved at any time by a resolution of the Shareholders adopted in the manner required for amendment of these Articles of Incorporation.

Art. 3. Registered office.

3.1 The Company has its registered office in the City of Luxembourg, Grand Duchy of Luxembourg. It may be transferred to any other place or municipality in the Grand Duchy of Luxembourg by means of a resolution of a General Meeting deliberating in the manner provided for amendments to the Articles.

3.2 The address of the registered office may be transferred within the same municipality by decision of the Board of Directors.

3.3 The Company may have offices and branches, both in Luxembourg and abroad.

3.4 In the event that the Board of Directors determines that extraordinary political, economic or social developments have occurred or are imminent that would interfere with the normal activities of the Company at its registered office, or with the ease of communications between such office and Persons abroad, the registered office may be temporarily transferred abroad until the complete cessation of these abnormal circumstances; such temporary measures shall have no effect on the nationality of the Company which, notwithstanding the temporary transfer of its registered office, will remain a Luxembourg company. Such temporary measures will be taken and notified to any interested parties by the Board of Directors.

Art. 4. Purpose, Object.

4.1 The object of the Company is the holding of participations, in any form whatsoever, in Luxembourg and foreign companies, or other entities or enterprises, the acquisition by purchase, subscription, or in any other manner as well as the transfer by sale, exchange or otherwise of stock, bonds, debentures, notes and other securities or rights of any kind including interests in partnerships, and the holding, acquisition, disposal, investment in any manner (in), development, licensing or sub licensing of, any patents or other intellectual property rights of any nature or origin as well as the ownership, administration, development and management of its portfolio. The Company may carry out its business through branches in Luxembourg or abroad.

4.2 The Company may further conduct or be involved in any way in, directly or indirectly, any satellite telecommunications or other telecommunications or communications related business in the broadest sense, including without limitation the owning and/or operation of satellites, teleports, any ground assets, and any related or connected activity.

4.3 The Company may borrow in any form and proceed to the private or public issue of shares, bonds, convertible bonds and debentures or any other securities or instruments it deems fit.

4.4 In a general fashion the Company may grant assistance (by way of loans, advances, guarantees or securities or otherwise) to companies or other enterprises or Persons in which the Company has an interest or which form part of the group of companies to which the Company belongs or any entity or Person as the Company may deem fit (including up-stream or cross-stream), take any controlling, management, administrative and/or supervisory measures and carry out any operation which it may deem useful in the accomplishment and development of its purposes.

4.5 Finally, the Company may perform all commercial, technical and financial or other operations, connected directly or indirectly in all areas in order to facilitate the accomplishment of its purpose.

Art. 5. Share capital.

5.1 The Company has an issued share capital of one million three hundred and sixty-two thousand three hundred and thirty-nine US Dollars and seventy-seven cents (USD 1,362,339.77) represented by a total of one hundred and thirty-six million two hundred and thirty-three thousand nine hundred and seventy-seven (136,233,977) fully paid Common Shares, each with a nominal value of one US Dollar cent (USD0.01), with such rights and obligations as set forth in the present Articles.

5.2 The authorised share capital of the Company (including the issued share capital) is set at ten million USDollars (USD 10,000,000) to be represented by one billion (1,000,000,000) Shares of any Class, each with a nominal value of one USD cent (USD 0.01).

5.2.1 The authorized un-issued share capital (and any authorization granted to the Board of Directors in relation thereto) shall be valid for a period ending on June 21, 2023.

5.2.2 The Board of Directors, or any delegate(s) duly appointed by the Board of Directors, may from time to time issue Shares of any Class (or any rights, securities or other entitlement to Shares of any Class) as it determines within the limits of the authorised un-issued Share capital against contributions in cash, contributions in kind or by way of incorporation of available reserves as well as by conversion of Preferred A Shares into Common Shares or as dividends or other distributions whether in lieu of cash dividend or other distribution payments or not at such times and on such terms and conditions, including the issue price, and to any person (including employees or officers) as the Board of Directors or its delegate(s) may in its or their discretion resolve without reserving any preferential or pre-emptive subscription rights to existing Shareholders of any Class (including by way of incorporation of reserves). The General Meeting has waived and suppressed and has authorised the Board of Directors to waive, suppress or limit any preferential or pre-emptive subscription rights of Shareholders to the extent the Board deems such waiver, suppression or limitation advisable for any issue or issues of Shares of any Class (or any rights, securities or other entitlement to Shares of any Class) within the authorised (un-issued) Share capital. Upon an issue of Shares within the authorised Share capital the Board shall have the present Articles amended accordingly. Shares may be issued in

either Class without having to respect any ratio amongst classes (provided that the Preferred A Shares may not represent more than 50% of the issued share capital at any time).

5.3 The issued and/or authorized unissued capital of the Company may be increased, reduced, amended or extended one or several times by a resolution of the General Meeting of Shareholders adopted in compliance with the quorum and majority rules set by these Articles of Incorporation or, as the case may be, by law for any amendment of these Articles of Incorporation.

5.4 The Company may not issue fractional Shares and no fractions of Shares shall exist at any time. The Board of Directors shall however be authorised at its discretion to provide for the payment of cash or the issuance of scrip in lieu of any fraction of a Share.

5.5 The Company or its subsidiaries may proceed to the purchase or repurchase of its own Shares and may hold Shares in treasury, each time within the limits laid down by law.

5.6 Any Share premium or other capital contribution or other available reserve account shall be freely distributable in accordance with the provisions of these Articles.

Art. 6. Securities in registered form only.

6.1 Shares

6.1.1 Shares of the Company are in registered form only.

6.1.2 A register of Shares will be kept by the Company. Ownership of registered Shares will be established by inscription in the said register or in the event separate registrars have been appointed pursuant to Article 6.1.3, such separate register. Without prejudice to the conditions for transfer by book entry in the case provided for in Article 6.1.7 or as the case may be applicable law, and subject to the provisions of Article 8, a transfer of registered Shares shall be carried out by means of a declaration of transfer entered in the relevant register, dated and signed by the transferor and the transferee or by their duly authorised representatives. The Company may accept and enter in the relevant register a transfer on the basis of correspondence or other documents recording the agreement between the transferor and the transferee.

6.1.3 The Company may appoint registrars in different jurisdictions who will each maintain a separate register for the registered Shares entered therein and the holders of Shares may elect to be entered in one of the registers and to be transferred from time to time from one register to another register. The Board of Directors may however impose transfer restrictions for Shares that are registered, listed, quoted, dealt in, or have been placed in certain jurisdictions in compliance with the requirements applicable therein. The transfer to the register kept at the Company's registered office may always be requested.

6.1.4 Subject to the provisions of Article 6.1.7 and Article 8, the Company may consider the Person in whose name the registered Shares are registered in the register(s) of Shareholders as the full owner of such registered Shares. The Company shall be completely free from any responsibility in dealing with such registered Shares towards third parties and shall be justified in considering any right, interest or claims of such third parties in or upon such registered shares to be non-existent, subject, however, to any right which such third party might have to demand the registration or change in registration of registered Shares. In the event that a holder of registered Shares does not provide an address to which all notices or announcements from the Company may be sent, the Company may permit a notice to this effect to be entered into the register(s) of Shareholders and such holder's address will be deemed to be at the registered office of the Company or such other address as may be so entered by the Company from time to time, until a different address shall be provided to the Company by such holder. The holder may, at any time, change his address as entered in the register(s) of Shareholders by means of written notification to the Company or the relevant registrar.

6.1.5 The Board may decide that no entry shall be made in the register(s) of Shareholders and no notice of a transfer shall be recognised by the Company or a registrar during the period starting on the fifth (5) business day before the date of a General

Meeting and ending at the close of that General Meeting, unless the Board sets a shorter time limit or unless otherwise mandatorily required by law.

6.1.6 All communications and notices to be given to a registered Shareholder shall be deemed validly made to the latest address communicated by the Shareholder to the Company.

6.1.7 Where Shares are recorded in the register(s) of Shareholders on behalf of one or more Persons in the name of a securities settlement system or the operator of such a system or in the name of a professional securities depository or any other depository (such systems, professionals or other depositories being referred to hereinafter as «Depositaries») or of a sub-depository designated by one or more Depositaries, the Company - subject to having received from the Depository with whom those Shares are kept in account a certificate or confirmation in proper form - will permit those Persons to exercise the rights attached to those Shares, including admission to and voting at General Meetings (to the extent the relevant Shares carry voting rights). The Board of Directors may determine the formal requirements with which such certificates must comply. Notwithstanding the foregoing, the Company may make dividend payments and any other payments in cash, Shares or other securities only to the Depository or sub-depository recorded in the register(s) or in accordance with its instructions, and such payment will effect full discharge of the Company's obligations.

6.1.8 The Shares are indivisible vis-à-vis the Company which will recognise only one holder per Share. In case a Share is held by more than one Person, the Persons claiming ownership of the Share will be required to name a single proxy to represent the Share vis-à-vis the Company. The Company has the right to suspend the exercise of all rights attached to such Share until one Person has been so appointed. The same rule shall apply in the case of a conflict between an usufructuary and a bare owner or between a pledgor and a pledgee.

6.2 Other Securities

6.2.1 Securities (other than Shares which are covered by Article 6.1) of the Company are in registered form only.

6.2.2 The provisions of Article 6.1 shall apply mutatis mutandis.

Art. 7. Preferred A Shares.

7.1 Status

7.1.1 The Preferred A Shares are mandatory convertible junior non-voting preferred Shares (actions préférentielles junior sans droits de vote convertibles obligatoirement en actions ordinaires) of the Company with such terms as set forth in the Articles of Incorporation.

7.1.2 Each Preferred A Share is identical in all respects to every other Preferred A Share. The Preferred A Shares, subject as set forth herein, rank (i) senior to all Junior Shares, (ii) on parity with all Parity Shares and (iii) junior to all Senior Shares and the Company's existing and future indebtedness, with respect to their Preferred Dividend or distribution rights or rights upon the liquidation, winding-up or dissolution of the Company (as referred to under Article 7.4).

7.1.3 The Preferred A Shares shall not have any rights, preferences, privileges or voting powers or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth in these Articles of Incorporation or as provided by mandatory applicable law.

7.1.4 For the avoidance of doubt it is clarified that the Preferred A Shares shall not be subject any redemption sinking fund or similar provisions.

7.2 Non-Voting

7.2.1 The Preferred A Shareholders shall not have any voting rights with respect to their Preferred A Shares except as set forth herein or as otherwise from time to time required mandatorily by Company Law.

7.2.2 The Preferred A Shareholders shall be entitled to vote in every General Meeting called upon to deal with the following matters:

7.2.2.1 the issue of new shares carrying preferential rights;

7.2.2.2 the determination of the preferential cumulative dividend attaching to the non-voting shares;

7.2.2.3 the conversion of non-voting preferred Shares into common Shares;

7.2.2.4 the reduction of the capital of the Company;

7.2.2.5 any change to the Company's corporate object;

7.2.2.6 the issue of convertible bonds;

7.2.2.7 the dissolution of the Company before its term;

7.2.2.8 the transformation of the Company into a company of another legal form;

7.2.3 The Preferred A Shares further entitle the Preferred A Shareholders to vote on such matters and on such terms as set forth in Article 20.2.

7.2.4 The Preferred A Shareholders shall further in accordance with Company Law have the same voting rights as the holders of Common Shares at all meetings, in case, despite the existence of net profits available in the Company for that purpose, the (cumulative) Preferred Dividends have not been paid in their entirety for any reason whatsoever for a period of two successive financial years (a «Nonpayment») and until such time as all (cumulative) Preferred Dividends shall have been paid in full.

7.2.5 Save where the Preferred A Shares have voting rights, no account shall be taken of the Preferred A Shares in determining the conditions as to quorum and majority at General Meetings and in such case, any reference to Shares and Shareholders shall be, for the avoidance of doubt, only to Common Shares or holders of Common Shares.

7.3 Preferred Dividends

7.3.1 Rate

Subject to the rights of holders of any class or series of Shares ranking senior to the Preferred A Shares with respect to dividends or other distributions, Preferred A Shareholders shall be entitled to receive, when, as and if declared by the General Meeting or, in case of interim dividends, the Board of Directors, out of profits or reserves of the Company legally available therefor, a cumulative dividend at the rate per annum of five point seventy-five per cent (5.75%) on the Liquidation Preference per Preferred A Share (the «Dividend Rate») (equivalent to two point eight seven five US Dollars (USD 2.875) per annum per Preferred A Share) (the «Preferred Dividend»).

Except as otherwise provided herein, the Preferred Dividend on any Preferred A Share converted to Common Shares shall cease to accumulate on the Mandatory Conversion Date, the Cash Acquisition Conversion Date or the Early Conversion Date (each, a «Conversion Date»), as applicable.

Preferred A Shareholders shall not be entitled to any dividends or other distributions (other than the Liquidation Preference on liquidation) on the Preferred A Shares, whether payable in cash, property or Common Shares, in excess of the full Preferred Dividend.

7.3.2 Preferred Dividends on the Preferred A Shares may be declared annually, semi-annually (each time with installments) or quarterly by the General Meeting or as interim dividends by the Board and if and to the extent declared shall be payable quarterly (as the case may be by installments) on each Dividend Payment Date at the Dividend Rate. The entitlement for Preferred Dividends for a Dividend Period is calculated from the day immediately following the last day of the immediately prior Dividend Period or if there has been no prior Dividend Period, the Preferred A Issue Date, whether or not in any Dividend Period or periods there have been profits or other reserves legally available for the declaration and payment of such Preferred Dividends. Declared Preferred Dividends shall be payable (as the case may be by installments) on the relevant Dividend Payment Date to Preferred A Record Holders on the immediately preceding Preferred A Record Date, whether or not such Preferred A Record Holders convert their Preferred A Shares, or such Preferred A Shares are automatically converted, after a Preferred A Record Date and on or prior to the immediately succeeding Dividend Payment Date. If a Dividend Payment Date is

not a Business Day, payment shall be made on the next succeeding Business Day, without any interest or other payment in lieu of interest accruing with respect to this delay.

The amount of Preferred Dividends on each Preferred A Share for each full Dividend Period shall be computed by dividing the Dividend Rate by four. Preferred Dividends on the Preferred A Shares for any period other than a full Dividend Period shall be computed based upon the actual number of days elapsed during the period over a 360-day year (consisting of twelve 30-day months). Accumulated Preferred Dividends shall not bear interest if they are paid subsequent to the applicable Dividend Payment Date. No Preferred Dividend shall be declared or paid upon, or any sum of cash or number of Common Shares set apart for the payment of Preferred Dividends upon, any outstanding Preferred A Share with respect to any Dividend Period unless all Preferred Dividends for all preceding Dividend Periods shall have been declared and paid upon, or a sufficient sum of cash or number of Common Shares shall have been set apart for the payment of such Preferred Dividends upon, all outstanding Preferred A Shares.

7.3.3 Priority of Preferred Dividends.

7.3.3.1 So long as any Preferred A Share remains outstanding, no dividend or distribution shall be declared or paid on the Common Shares or any other Junior Shares, and no Common Shares or Junior Shares shall be, directly or indirectly, purchased, redeemed or otherwise acquired for consideration by the Company or any of its subsidiaries unless all accumulated Preferred Dividends for all preceding Dividend Periods have been declared and paid upon, or a sufficient sum or number of Common Shares have been set apart for the payment of such Preferred Dividends upon, all outstanding Preferred A Shares.

7.3.3.2 The foregoing limitation shall not apply to (i) any dividend or distribution payable on any Junior Shares in shares of any other Junior Shares, or to the acquisition of Junior Shares in exchange for, or through application of the proceeds of the sale of, any other Junior Shares; (ii) redemptions, purchases or other acquisitions of Common Shares or other Junior Shares in connection with the administration of any benefit plan or other incentive plan in the ordinary course of business (including purchases to offset the Share Dilution Amount pursuant to a publicly announced repurchase plan); provided that any purchases to offset the Share Dilution Amount shall in no event exceed the Share Dilution Amount; (iii) any dividends or distributions of rights or Junior Shares in connection with a shareholders' rights plan or any redemption or repurchase of rights pursuant to any shareholders' rights plan; (iv) the acquisition by the Company or any of its subsidiaries of record ownership in Junior Shares for the beneficial ownership of any other Persons (other than the Company or any of its subsidiaries), including as trustees or custodians; (v) the exchange or conversion of Junior Shares for or into other Junior Shares (with the same or lesser aggregate liquidation amount) and (vi) any redemption, repurchase or purchase in any way in application of Article 8 (Limitation of ownership-Communications Laws).

7.3.3.3 When Preferred Dividends are not paid (or declared and a sum of cash or number of Common Shares sufficient for payment thereof set aside for the benefit of the Preferred A Shareholders on the applicable Record Date) on any Dividend Payment Date in full on Preferred A Shares, all Preferred Dividends declared on the Preferred A Shares and all dividends on any other Parity Shares shall be declared so that the respective amounts of such dividends declared on the Preferred A Shares and each such other class or series of Parity Shares shall bear the same ratio to each other as all accumulated dividends or distributions per share on Preferred A Shares and such class or series of Parity Shares (subject to their having been declared by the General Meeting or the Board of Directors out of legally available profits or reserves and including, all accumulated dividends or distributions) bear to each other; provided that any undeclared (and unpaid) Preferred Dividend will continue to accumulate.

7.3.3.4 Subject to the foregoing, and not otherwise, such dividends or other distributions (payable in cash, securities or other property) as may be determined by the Board of Directors or the General Meeting may be declared and paid on any securities, including Common Shares and other Junior Shares, from time to time out of any profits or reserves legally available therefor, and Preferred A Shareholders shall not be entitled to participate in any such dividends or distributions.

7.3.4 Method of Payment of Preferred Dividends.

The Preferred Dividends may be paid in cash, by delivery of Common Shares or through any combination of cash and Common Shares, as determined by the Company (by decision of the Board) in its sole discretion (subject to the limitations described below).

7.3.4.1 Subject to the limitations described below, any declared Preferred Dividend (or any portion of any declared Preferred Dividend) on the Preferred A Shares, whether or not for a current Dividend Period or any prior Dividend Period (including in connection with the payment of declared and unpaid Preferred Dividends to the extent required to be paid pursuant to Articles 7.5, 7.6 or 7.7), may be paid by the Company, as determined in the Company's sole discretion: (i) in cash; (ii) by delivery of Common Shares; or (iii) through any combination of cash and Common Shares.

7.3.4.2 Each payment of a declared Preferred Dividend on the Preferred A Shares shall be made in cash, except to the extent the Company elects to make all or any portion of such payment in Common Shares. The Company may make such election by giving notice to the Preferred A Shareholders of such election and the portions of such payment that shall be made in cash and in Common Shares no later than twelve (12) Trading Days prior to the Dividend Payment Date for such Preferred Dividend.

7.3.4.3 Common Shares issued in payment or partial payment of a declared Preferred Dividend shall be valued for such purpose at 97% of the average VWAP per Common Share over the ten (10) consecutive Trading Day period ending on the second (2nd) Trading Day immediately preceding the applicable Dividend Payment Date (the «Average Price»).

7.3.5 No fractional Common Share shall be delivered to Preferred A Shareholders in payment or partial payment of a Preferred Dividend. A cash adjustment shall be paid to each Preferred A Shareholder that would otherwise be entitled to a fraction of a Common Share based on the average VWAP per Common Share over the ten (10) consecutive Trading Day period ending on the second (2nd) Trading Day immediately preceding the relevant Dividend Payment Date.

7.3.6 Notwithstanding the foregoing, in no event shall the number of Common Shares delivered in connection with any declared Preferred Dividend, including any declared Preferred Dividend payable in connection with a conversion, exceed a number equal to the total Preferred Dividend payment divided by six US Dollars and thirty cents (USD 6.30), subject to adjustment in a manner inversely proportional to any antidilution adjustment to each Fixed Conversion Rate as set forth in Article 7.11 (such dollar amount, as adjusted, the «Floor Price»). To the extent that the amount of the declared Preferred Dividend exceeds the product of the number of Common Shares delivered in connection with such declared Preferred Dividend and the Average Price, the Company shall, if it is legally able to do so, pay such excess amount in cash.

7.3.7 To the extent that the Company, in its reasonable judgment, determines that a Shelf Registration Statement is required in connection with the issuance of, or for resales of, Common Shares issued as payment of a dividend, including Preferred Dividends paid in connection with a conversion, the Company shall, to the extent such a Shelf Registration Statement is not currently filed and effective, use its reasonable best efforts to file and maintain the effectiveness of such a Shelf Registration Statement until the earlier of such time as all Common Shares have been resold thereunder and such time as all such Common Shares are freely tradeable without registration. To the extent applicable, the Company shall also use its reasonable best efforts to have the Common Shares qualified or registered under applicable state securities laws, if required, and approved for listing on the New York Stock Exchange (or if the Common Shares are not listed on the New York Stock Exchange, on the principal other U.S. national or regional securities exchange on which the Common Shares are then listed).

7.4 Rights of Preferred A Shares on Liquidation, Winding up or Dissolution

7.4.1 In the event of any liquidation, winding-up or dissolution of the Company, whether voluntary or involuntary, each Preferred A Shareholder shall be entitled to receive the Liquidation Preference per Preferred A Share held, plus an amount equal to accumulated Preferred Dividends on such Preferred A Shares to (but excluding) the date fixed for (the opening of the) liquidation, winding-up or dissolution to be paid out of the assets of the Company available for distribution to its Shareholders,

after satisfaction of liabilities owed to the Company's creditors and holders of any Senior Shares and before any payment or distribution is made on any Junior Shares, including, without limitation, the Common Shares.

7.4.2 Neither the sale (for cash, Shares, securities or other consideration) of all or substantially all of the assets or business of the Company (other than in connection with the liquidation, winding-up or dissolution of its business), nor the merger or consolidation of the Company into or with any other Person, shall be deemed to be a liquidation, winding-up or dissolution, voluntary or involuntary, for the purposes hereof.

7.4.3 If upon the voluntary or involuntary liquidation, winding-up or dissolution of the Company, the amounts payable with respect to the Liquidation Preference plus an amount equal to accumulated (and undeclared and unpaid) Preferred Dividends on the Preferred A Shares and all Parity Shares are not paid in full, the Preferred A Shareholders and all holders of any Parity Shares shall share equally and ratably in any distribution of the Company's assets in proportion to the liquidation preference and an amount equal to the accumulated (and undeclared and unpaid) dividends to which such holders are entitled.

7.4.4 After the payment to the Preferred A Shareholders of full preferential amounts provided for in this Article 7.4, the Preferred A Shareholders as such shall have no right or claim to any of the remaining assets of the Company.

7.5 Mandatory Conversion on the Mandatory Conversion Date

7.5.1 Each Preferred A Share shall automatically convert (unless previously converted at the option of the Preferred A Shareholder in accordance with Article 7.6 or pursuant to an exercise of a Cash Acquisition Conversion right pursuant to Article 7.7) on the Mandatory Conversion Date («Mandatory Conversion»), into a number of Common Shares equal to the Mandatory Conversion Rate.

7.5.2 The «Mandatory Conversion Rate» shall be as follows:

7.5.2.1 if the Applicable Market Value is greater than twenty-two US Dollars and five cents (USD22.05) (the «Threshold Appreciation Price»), then the Mandatory Conversion Rate shall be equal to two point two six seven six (2.2676) Common Shares per Preferred A Share (the «Minimum Conversion Rate»);

7.5.2.2 if the Applicable Market Value is less than or equal to the Threshold Appreciation Price but equal to or greater than eighteen US Dollars (USD18.00) (the «Initial Price»), then the Mandatory Conversion Rate per Preferred A Share shall be equal to the Liquidation Preference divided by the Applicable Market Value; or

7.5.2.3 if the Applicable Market Value is less than the Initial Price, then the Mandatory Conversion Rate shall be equal to two point seven seven seven eight (2.7778) Common Shares per Preferred A Share (the «Maximum Conversion Rate»).

7.5.3 The Fixed Conversion Rates, the Threshold Appreciation Price, the Initial Price and the Applicable Market Value are each subject to adjustment in accordance with the provisions of Article 7.11.

7.5.4 If the Company declares a Preferred Dividend for the Dividend Period ending on the Mandatory Conversion Date, the Company shall pay such Preferred Dividend to the Preferred Record Holders as of the immediately preceding Preferred A Record Date in accordance with the provisions of Article 7.3.

If prior to the Mandatory Conversion Date the Company has not declared all or any portion of the accumulated Preferred Dividends on the Preferred A Shares, the Mandatory Conversion Rate shall be adjusted so that Preferred A Shareholders receive an additional number of Common Shares equal to the amount of accumulated Preferred Dividends that have not been declared («Mandatory Conversion Additional Conversion Amount») divided by the greater of the Floor Price and the Applicable Market Value. To the extent that the Mandatory Conversion Additional Conversion Amount exceeds the product of such number of additional Common Shares and the Applicable Market Value, the Company shall, if the Company is legally able to do so, declare and pay such excess amount in cash pro rata to the Preferred A Shareholders.

7.6 Early Conversion at the Option of the Holder

7.6.1 Other than during a Cash Acquisition Conversion Period, the Preferred A Shareholders shall have the right to convert their Preferred A Shares, in whole or in part (but in no event less than one Preferred A Share), at any time prior to the

Mandatory Conversion Date («Early Conversion»), into Common Shares at the Minimum Conversion Rate, subject to adjustment as described in Article 7.11 and to satisfaction of the conversion procedures set forth in Article 7.8.

7.6.2 If as of any Early Conversion Date the Company has not declared all or any portion of the accumulated Preferred Dividends for all Dividend Periods ending prior to such Early Conversion Date, the Minimum Conversion Rate shall be adjusted so that the converting Preferred A Shareholder receives an additional number of Common Shares equal to the amount of accumulated Preferred Dividends that have not been declared, divided by the greater of the Floor Price and the average of the Closing Prices of the Common Shares over the forty (40) consecutive Trading Day period ending on the third (3rd) Trading Day immediately preceding the Early Conversion Date (such average being referred to as the «Applicable Early Conversion Market Value»). Except as described above, upon any Early Conversion of any Preferred A Shares, the Company shall make no payment or allowance for unpaid Preferred Dividends on such Preferred A Shares.

7.7 Cash Acquisition Conversion

7.7.1 If a Cash Acquisition occurs on or prior to the Mandatory Conversion Date, the Preferred A Shareholders shall have the right to convert their Preferred A Shares, in whole or in part (but in no event less than one Preferred A Share) (such right of the Preferred A Shareholders to convert their Preferred A Shares pursuant to this Article 7.7.1 being the «Cash Acquisition Conversion») during a period (the «Cash Acquisition Conversion Period») that begins on the effective date of such Cash Acquisition (the «Effective Date») and ends at 5:00 p.m., New York City time, on the date that is twenty (20) calendar days after the Effective Date (or, if earlier, the Mandatory Conversion Date) into Common Shares at the Cash Acquisition Conversion Rate (as adjusted pursuant to Article 7.11).

7.7.2 On or before the twentieth (20th) calendar day prior to the anticipated Effective Date of the Cash Acquisition, or, if such prior notice is not practicable, no later than the tenth (10th) calendar day immediately following such Effective Date, the Company shall provide notice (the «Cash Acquisition Notice») to the Preferred A Shareholders. Such notice shall state: (i) the anticipated Effective Date of the Cash Acquisition; (ii) that Preferred A Shareholders shall have the right to effect a Cash Acquisition Conversion in connection with such Cash Acquisition during the Cash Acquisition Conversion Period; (iii) the Cash Acquisition Conversion Period; and (iv) the instructions a Preferred A Shareholder must follow to effect a Cash Acquisition Conversion in connection with such Cash Acquisition.

If the Company notifies Preferred A Shareholders of a Cash Acquisition later than the twentieth (20th) calendar day prior to the Effective Date of the Cash Acquisition, the Cash Acquisition Conversion Period shall be extended by a number of days equal to the number of days from, and including, the twentieth (20th) calendar day prior to the Effective Date of the Cash Acquisition to, but excluding, the date of such notice; provided that the Cash Acquisition Conversion Period shall not be extended beyond the Mandatory Conversion Date.

Such notice may be given by the Company pursuant to Article 7.12.

7.7.3 Not later than the second Business Day following the Effective Date or, if later, the date the Company provides Preferred A Shareholders notice of the Effective Date of the Cash Acquisition, the Company shall notify Preferred A Shareholders of: (i) the Cash Acquisition Conversion Rate; (ii) the Cash Acquisition Dividend Make-whole Amount and whether the Company shall pay such amount in cash, Common Shares or a combination thereof (and if so, shall specify the combination, if applicable); and (iii) the amount of accumulated and undeclared Preferred Dividends as of the Effective Date and whether the Company shall pay such amount by an adjustment of the Cash Acquisition Conversion Rate, a cash payment or a combination thereof (and if so, shall specify the combination, if applicable). Such notice may be given by the Company pursuant to Article 7.12.

7.7.4 Upon any conversion pursuant to Article 7.7.1, in addition to issuing to the converting Preferred A Shareholders the number of Common Shares at the Cash Acquisition Conversion Rate, the Company shall:

7.7.4.1 either (x) pay the converting Preferred A Shareholders in cash, to the extent the Company is legally permitted to do so, the present value, computed using a discount rate of five point seventy-five per cent (5.75%) per annum, of all Preferred Dividend amounts on the Preferred A Shares subject to such Cash Acquisition Conversion for all remaining Dividend Periods (excluding any accumulated Preferred Dividends as of the Effective Date) from such Effective Date to but excluding the Mandatory Conversion Date (the «Cash Acquisition Dividend Make-whole Amount»); or (y) increase the number of Common Shares to be issued on conversion by a number equal to (A) the Cash Acquisition Dividend Make-whole Amount divided by (B) the greater of the Floor Price and the Share Price; and

7.7.4.2 to the extent that, as of the Effective Date, the Company has not declared all or any portion of the accumulated Preferred Dividends on the Preferred A Shares as of such Effective Date, the Cash Acquisition Conversion Rate shall be further adjusted so that converting Preferred A Shareholders receive an additional number of Common Shares equal to the amount of such accumulated Preferred Dividends (the «Cash Acquisition Additional Conversion Amount»), divided by the greater of the Floor Price and the Share Price. To the extent that the Cash Acquisition Additional Conversion Amount exceeds the product of the number of additional Common Shares and the Share Price, the Company shall, if legally able to do so, declare and pay such excess amount in cash.

7.7.4.3 if the Effective Date falls during a Dividend Period for which the Company has declared a Preferred Dividend, the Company shall pay such Preferred Dividend on the relevant Dividend Payment Date to the Preferred A Shareholders on the immediately preceding Preferred A Record Date in accordance with Article 7.3.

7.8 Conversion Procedures

7.8.1 Pursuant to Article 7.5, on the Mandatory Conversion Date, any outstanding Preferred A Shares shall automatically convert into Common Shares. The Person or Persons entitled to receive the Common Shares issuable upon mandatory conversion of the Preferred A Shares shall be treated as the record holder(s) of such Common Shares as of 5:00 p.m., New York City time, on the Mandatory Conversion Date. Except as provided under Article 7.11.3.3, prior to 5:00 p.m., New York City time, on the Mandatory Conversion Date, the Common Shares issuable upon conversion of Preferred A Shares shall not be outstanding for any purpose and Preferred A Shareholders shall have no rights with respect to such Common Shares, including voting rights, rights to respond to tender offers and rights to receive any dividends or other distributions on the Common Shares, by virtue of holding the Preferred A Shares.

7.8.2 To effect an Early Conversion pursuant to Article 7.6, a Preferred A Shareholder must deliver to DTC the appropriate instruction form for conversion pursuant to DTC's conversion program and, if required, pay all transfer or similar taxes or duties, if any.

The Early Conversion shall be effective on the date on which a Preferred A Shareholder has satisfied the foregoing requirements, to the extent applicable («Early Conversion Date»). A Preferred A Shareholder shall not be required to pay any transfer or similar taxes or duties relating to the issuance or delivery of Common Shares if such Preferred A Shareholder exercises its conversion rights, but such Preferred A Shareholder shall be required to pay any transfer or similar tax or duty that may be payable relating to any transfer involved in the issuance or delivery of Common Shares in a name other than the name of such Preferred A Shareholder. Common Shares shall be issued and delivered only after all applicable taxes and duties, if any, payable by the Preferred A Shareholder have been paid in full and shall be issued, together with any cash to which the converting Preferred A Shareholder is entitled, on the later of the third (3rd) Business Day immediately succeeding the Early Conversion Date and the Business Day after the Preferred A Shareholder has paid in full all applicable taxes and duties, if any. The Person or Persons entitled to receive the Common Shares issuable upon Early Conversion shall be treated for all purposes as the record holder(s) of such Common Shares as of 5:00 p.m., New York City time, on the applicable Early Conversion Date. No allowance or adjustment, except as set forth in Article 7.11.3.3, shall be made in respect of dividends or distributions payable to holders of Common Shares of record as of any date prior to such applicable Early Conversion Date. Prior to such applicable

Early Conversion Date, Common Shares issuable upon conversion of any Preferred A Shares shall not be outstanding for any purpose, and Preferred A Shareholders shall have no rights with respect to the Common Shares (including voting rights, rights to respond to tender offers for the Common Shares and rights to receive any dividends or other distributions on the Common Shares) by virtue of holding Preferred A Shares.

In the event that an Early Conversion is effected with respect to Preferred A Shares representing less than all the Preferred A Shares held by a Preferred A Shareholder, upon such Early Conversion the relevant register shall revise its records accordingly.

7.8.3 To effect a Cash Acquisition Conversion pursuant to Article 7.7, a Preferred A Shareholder must, during the Cash Acquisition Conversion Period, deliver to DTC the appropriate instruction form for conversion pursuant to DTC's conversion program and, if required, pay all transfer or similar taxes or duties, if any.

The Cash Acquisition Conversion shall be effective on the date on which a Preferred A Shareholder has satisfied the foregoing requirements, to the extent applicable (the «Cash Acquisition Conversion Date»). A Preferred A Shareholder shall not be required to pay any transfer or similar taxes or duties relating to the issuance or delivery of Common Shares if such Preferred A Shareholder exercises its conversion rights, but such Preferred A Shareholder shall be required to pay any transfer or similar tax or duty that may be payable relating to any transfer involved in the issuance or delivery of Common Shares in a name other than the name of such Preferred A Shareholder. Common Shares shall be issued and delivered only after all applicable taxes and duties, if any, payable by the Preferred A Shareholder have been paid in full and shall be issued, together with any cash to which the converting Preferred A Shareholder is entitled, on the later of the third (3rd) Business Day immediately succeeding the Cash Acquisition Conversion Date and the Business Day after the Preferred A Shareholder has paid in full all applicable taxes and duties, if any. For the avoidance of doubt, Preferred A Shareholders who do not submit their instruction form for conversion during the Cash Acquisition Conversion Period shall not be entitled to convert their Preferred A Shares at the Cash Acquisition Conversion Rate or to receive the Cash Acquisition Dividend Make-whole Amount.

The Person or Persons entitled to receive the Common Shares issuable upon such Cash Acquisition Conversion shall be treated for all purposes as the record holder(s) of such Common Shares as of 5:00 p.m., New York City time, on the applicable Cash Acquisition Conversion Date. No allowance or adjustment, except as set forth in Article 7.11.3.3, shall be made in respect of dividends or distributions payable to holders of Common Shares of record as of any date prior to such applicable Cash Acquisition Conversion Date. Prior to such applicable Cash Acquisition Conversion Date, Common Shares issuable upon conversion of any Preferred A Shares shall not be deemed outstanding for any purpose, and Preferred A Shareholders shall have no rights with respect to the Common Shares (including voting rights, rights to respond to tender offers for the Common Shares and rights to receive any dividends or other distributions on the Common Shares, by virtue of holding Preferred A Shares.

In the event that a Cash Acquisition Conversion is effected with respect to Preferred A Shares representing less than all the Preferred A Shares held by a Preferred A Shareholder, upon such Cash Acquisition Conversion the relevant register shall revise its records accordingly.

7.8.4 In the event that a Preferred A Shareholder shall not by written notice designate the name in which Common Shares to be issued upon conversion of such Preferred A Shares should be registered, the Company shall be entitled to register such Shares, and make such payment, in the name of the Preferred A Shareholder as shown on the records of the Company.

7.8.5 Preferred A Shares shall cease to be outstanding on the applicable Conversion Date, subject to the right of relevant Preferred A Shareholder to receive Common Shares issuable upon conversion of such Preferred A Shares and other amounts and Common Shares, if any, to which they are entitled pursuant to Articles 7.5, 7.6 or 7.7, as applicable.

7.9 Reservation of Common Shares

7.9.1 The Company shall at all times reserve and keep available out of its authorized and unissued Common Shares or Common Shares held in the treasury of the Company, solely for issuance upon the conversion of Preferred A Shares as herein provided, free from any preemptive or other similar rights, the maximum number of shares of Common Shares as shall from time to time be issuable upon the conversion of all the Preferred A Shares then outstanding. For purposes of this Article 7.9.1, the number of Common Shares that shall be deliverable upon the conversion of all outstanding Preferred A Shares shall be computed as if at the time of computation all such outstanding Preferred A Shares were held by a single Preferred A Shareholder.

7.9.2 Notwithstanding the foregoing, the Company shall be entitled to deliver upon conversion of Preferred A Shares, as herein provided, Common Shares reacquired and held in the treasury of the Company (or a subsidiary of the Company) (in lieu of the issuance of authorized and unissued Common Shares), so long as any such treasury Common Shares are free and clear of all liens, charges, security interests or encumbrances (other than liens, charges, security interests and other encumbrances created by the Preferred A Shareholders).

7.9.3 All Common Shares delivered upon conversion of the Preferred A Shares shall be duly authorized, validly issued, fully paid and non-assessable, free and clear of all liens, claims, security interests and other encumbrances (other than liens, charges, security interests and other encumbrances created by the Preferred A Shareholders).

7.9.4 Prior to the delivery of any securities that the Company shall be obligated to deliver upon conversion of the Preferred A Shares, the Company shall use reasonable best efforts to comply with all U.S. federal and state laws and regulations thereunder requiring the registration of such securities with, or any approval of or consent to the delivery thereof by, any governmental authority.

7.9.5 If at any time the Common Shares shall be listed on the New York Stock Exchange or any other (U.S.) national securities exchange or automated quotation system, the Company shall, if permitted by the rules of such exchange or automated quotation system, list and keep listed, so long as the Common Shares shall be so listed on such exchange or automated quotation system, all Common Shares issuable upon conversion of the Preferred A Shares; provided, however, that if the rules of such exchange or automated quotation system permit the Company to defer the listing of such Common Shares until the first conversion of Preferred A Shares into Common Shares in accordance with the provisions hereof, the Company covenants to list such Common Shares issuable upon first conversion of the Preferred A Shares in accordance with the requirements of such exchange or automated quotation system at such time.

7.10 Fractional Shares

7.10.1 No fractional Common Shares shall be issued as a result of any conversion of Preferred A Shares.

7.10.2 In lieu of any fractional Common Share otherwise issuable in respect of any mandatory conversion pursuant to Article 7.5 or a conversion at the option of the Preferred A Shareholder pursuant to Article 7.6 or Article 7.7, the Company shall pay an amount in cash (computed to the nearest cent) equal to the product of (i) that same fraction and (ii) the average of the Closing Prices over the five consecutive Trading Day period ending on the second Trading Day immediately preceding the Mandatory Conversion Date, Cash Acquisition Conversion Date or Early Conversion Date, as applicable.

7.10.3 If more than one Preferred A Share is surrendered for conversion at one time by or for the same Preferred A Shareholder, the number of full Common Shares issuable upon conversion thereof shall be computed on the basis of the aggregate number of Preferred A Shares so surrendered.

7.11 Anti-Dilution Adjustments to the Fixed Conversion Rates.

7.11.1 Each Fixed Conversion Rate shall be subject to the following adjustments:

7.11.1.1 Shares Dividends and Dividends.

If the Company issues Common Shares to all holders of Common Shares as a dividend or other distribution, each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the date fixed for determination of the holders of Common Shares

entitled to receive such dividend or other distribution shall be divided by a fraction:

(A) the numerator of which is the number of Common Shares outstanding at 5:00 p.m., New York City time, on the date fixed for such determination, and

(B) the denominator of which is the sum of the number of Common Shares outstanding at 5:00 p.m., New York City time, on the date fixed for such determination and the total number of Common Shares constituting such dividend or other distribution.

Any adjustment made pursuant to this Article 7.11.1.1 shall become effective immediately after 5:00 p.m., New York City time, on the date fixed for such determination. If any dividend or distribution described in this Article 7.11.1.1 is declared but not so paid or made, each Fixed Conversion Rate shall be readjusted, effective as of the date the Board of Directors publicly announces its or, as the case may be, the General Meeting's, decision not to make such dividend or distribution, to such Fixed Conversion Rate that would be in effect if such dividend or distribution had not been declared. For the purposes of this Article 7.11.1.1, the number of Common Shares outstanding at 5:00 p.m., New York City time, on the date fixed for such determination shall not include Common Shares held in treasury by the Company but shall include any Common Shares issuable in respect of any scrip certificates issued in lieu of fractions of Common Shares. The Company shall not pay any dividend or make any distribution on Common Shares held in treasury by the Company.

7.11.1.2 Issuance of Share Purchase Rights.

If the Company issues to all holders of Common Shares rights or warrants (other than rights or warrants issued pursuant to a dividend reinvestment plan or share purchase plan or other similar plans), entitling such holders, for a period of up to forty-five (45) calendar days from the date of issuance of such rights or warrants, to subscribe for or purchase Common Shares at a price per Common Share less than the Current Market Price, each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the date fixed for determination of the holders of Common Shares entitled to receive such rights or warrants shall be increased by multiplying such Fixed Conversion Rate by a fraction:

(A) the numerator of which is the sum of the number of shares of Common Shares outstanding at 5:00 p.m., New York City time, on the date fixed for such determination and the number of Common Shares issuable pursuant to such rights or warrants, and

(B) the denominator of which shall be the sum of the number of Common Shares outstanding at 5:00 p.m., New York City time, on the date fixed for such determination and the number of Common Shares equal to the quotient of the aggregate offering price payable to exercise such rights or warrants divided by the Current Market Price.

Any adjustment made pursuant to this Article 7.11.1.2 shall become effective immediately after 5:00 p.m., New York City time, on the date fixed for such determination. In the event that such rights or warrants described in this Article 7.11.1.2 are not so issued, each Fixed Conversion Rate shall be readjusted, effective as of the date the Board of Directors publicly announces its or, as the case may be, the General Meeting's, decision not to issue such rights or warrants, to such Fixed Conversion Rate that would then be in effect if such issuance had not been declared. To the extent that such rights or warrants are not exercised prior to their expiration or Common Shares are otherwise not delivered pursuant to such rights or warrants upon the exercise of such rights or warrants, each Fixed Conversion Rate shall be readjusted to such Fixed Conversion Rate that would then be in effect had the adjustment made upon the issuance of such rights or warrants been made on the basis of the delivery of only the number of Common Shares actually delivered. In determining the aggregate offering price payable to exercise such rights or warrants, there shall be taken into account any consideration received for such rights or warrants and the value of such consideration (if other than cash, to be determined by the Board of Directors). For the purposes of this Article 7.11.1.2, the number of Common Shares at the time outstanding shall not include Shares held in treasury by the Company but shall include any Common Shares issuable in respect of any scrip certificates issued in lieu of fractions of Common Shares. The Company shall not issue any such rights or warrants in respect of Common Shares held in treasury by the Company.

7.11.1.3 Subdivisions and Combinations of the Common Shares.

If outstanding Common Shares shall be subdivided into a greater number of Common Shares or combined into a lesser number of Common Shares, each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the effective date of such subdivision or combination shall be multiplied by a fraction:

(A) the numerator of which is the number of Common Shares that would be outstanding immediately after, and solely as a result of, such subdivision or combination, and

(B) the denominator of which is the number of Common Shares outstanding immediately prior to such subdivision or combination.

Any adjustment made pursuant to this Article 7.11.1.3 shall become effective immediately after 5:00 p.m., New York City time, on the effective date of such subdivision or combination.

7.11.1.4 Debt or Asset Dividend.

(A) If the Company distributes to all holders of Common Shares evidences of its indebtedness, Shares, securities, rights to acquire the Company's Share capital, cash or other assets (excluding (1) any dividend or distribution covered by Article 7.11.1.1, (2) any rights or warrants covered by Article 7.11.1.2, (3) any dividend or distribution covered by Article 7.11.1.5 and (4) any Spin-Off to which the provisions set forth in Article 7.11.1.4 (B) apply), each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the date fixed for the determination of holders of Common Shares entitled to receive such distribution shall be multiplied by a fraction:

(1) the numerator of which is the Current Market Price, and

(2) the denominator of which is the Current Market Price minus the Fair Market Value, on such date fixed for determination, of the portion of the evidences of indebtedness, Shares, securities, rights to acquire the Company's share capital, cash or other assets so distributed applicable to one Common Share.

(B) In the case of a Spin-Off, each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the date fixed for the determination of holders of Common Shares entitled to receive such distribution shall be multiplied by a fraction:

(1) the numerator of which is the sum of (x) the Current Market Price of the Common Shares and (y) the Fair Market Value of the portion of those Shares or similar equity interests so distributed which is applicable to one Common Share as of the fifteenth (15th) Trading Day after the effective date for such distribution (or, if such Shares or equity interests are listed on a U.S. national or regional securities exchange, the Current Market Price of such securities), and

(2) the denominator of which is the Current Market Price of the Common Shares.

Any adjustment made pursuant to this Article 7.11.1.4 shall become effective immediately after 5:00 p.m., New York City time, on the date fixed for the determination of the holders of Common Shares entitled to receive such distribution. In the event that such distribution described in this Article 7.11.1.4 is not so made, each Fixed Conversion Rate shall be readjusted, effective as of the date the Board of Directors publicly announces its or, as the case may be, the General Meeting's, decision not to make such distribution, to such Fixed Conversion Rate that would then be in effect if such distribution had not been declared. If an adjustment to each Fixed Conversion Rate is required under this Article 7.11.1.4 during any settlement period in respect of Preferred A Shares that have been tendered for conversion, delivery of the Common Shares issuable upon conversion shall be delayed to the extent necessary in order to complete the calculations provided for in this Article 7.11.1.4.

7.11.1.5 Cash Dividends or Distributions.

If the Company distributes an amount exclusively in cash to all holders of Common Shares (excluding (1) any cash that is distributed in a Reorganization Event to which Article 7.11.5 applies, (2) any dividend or distribution in connection with the liquidation, dissolution or winding up of the Company or (3) any consideration payable in as part of a tender or exchange offer by the Company or any subsidiary of the Company), each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the date fixed for determination of the holders of Common Shares entitled to receive such distribution shall be multiplied by a fraction:

(1) the numerator of which is the Current Market Price, and

(2) the denominator of which is the Current Market Price minus the amount per Common Share of such distribution.

Any adjustment made pursuant to this Article 7.11.1.5 shall become effective immediately after 5:00 p.m., New York City time, on the date fixed for the determination of the holders of Common Shares entitled to receive such distribution. In the event that any distribution described in this Article 7.11.1.5 is not so made, each Fixed Conversion Rate shall be readjusted, effective as of the date the Board of Directors publicly announces its or, as the case may be, the General Meeting's, decision not to make such distribution, to such Fixed Conversion Rate which would then be in effect if such distribution had not been declared.

7.11.1.6 Self Tender Offers and Exchange Offers.

If the Company or any subsidiary of the Company successfully completes a tender or exchange offer pursuant to a Schedule TO or registration statement on Form F-4 (or Form S-4) for Common Shares (excluding any securities convertible or exchangeable for Common Shares), where the cash and the value of any other consideration included in the payment per Common Share exceeds the Current Market Price, each Fixed Conversion Rate in effect at 5:00 p.m., New York City time, on the date of expiration of the tender or exchange offer (the «Expiration Date») shall be multiplied by a fraction:

(A) the numerator of which shall be equal to the sum of:

(1) the aggregate cash and Fair Market Value on the Expiration Date of any other consideration paid or payable for Common Shares purchased in such tender or exchange offer; and

(2) the product of the Current Market Price and the number of Common Shares outstanding immediately after such tender or exchange offer expires (after giving effect to the purchase or exchange of shares pursuant to such tender or exchange offer); and

(B) the denominator of which shall be equal to the product of (1) the Current Market Price and (2) the number of Common Shares outstanding immediately prior to the time such tender or exchange offer expires.

Any adjustment made pursuant to this Article 7.11.1.6 shall become effective immediately after 5:00 p.m., New York City time, on the seventh (7th) Trading Day immediately following the Expiration Date. In the event that the Company or one of its subsidiaries is obligated to purchase Common Shares pursuant to any such tender offer or exchange offer, but the Company or such subsidiary is permanently prevented by applicable law from effecting any such purchases, or all such purchases are rescinded, then each Fixed Conversion Rate shall be readjusted to such Fixed Conversion Rate that would then be in effect if such tender offer or exchange offer had not been made. Except as set forth in the preceding sentence, if the application of this Article 7.11.1.6 to any tender offer or exchange offer would result in a decrease in each Fixed Conversion Rate, no adjustment shall be made for such tender offer or exchange offer under this Article 7.11.1.6. If an adjustment to each Fixed Conversion Rate is required pursuant to this Article 7.11.1.6 during any settlement period in respect of Preferred A Shares that have been tendered for conversion, delivery of the related conversion consideration shall be delayed to the extent necessary in order to complete the calculations provided for in this Article 7.11.1.6.

7.11.1.7 Except with respect to a Spin-Off, in cases where the Fair Market Value of the evidences of the Company's indebtedness, Shares, securities, rights to acquire the Company's share capital, cash or other assets as to which Article 7.11.1.4 or Article 7.11.1.5 apply, applicable to one Common Share, distributed to holders of Common Shares equals or exceeds the average of the Closing Prices of the Common Shares over the five (5) consecutive Trading Day period ending on the Trading Day before the ExDate for such distribution, rather than being entitled to an adjustment in each Fixed Conversion Rate, Preferred A Shareholders shall be entitled to receive upon conversion, in addition to a number of Common Shares otherwise deliverable on the applicable Conversion Date, the kind and amount of the evidences of the Company's indebtedness, Shares, securities, rights to acquire the Company's share capital, cash or other assets comprising the distribution that such Preferred A Shareholder would have received if such Preferred A Shareholder had owned immediately prior to the record date

for determining the holders of Common Shares entitled to receive the distribution, for each Preferred A Share, a number of Common Shares equal to the Maximum Conversion Rate in effect on the date of such distribution.

7.11.1.8 Rights Plans.

To the extent that the Company has a rights plan in effect with respect to the Common Shares on any Conversion Date, upon conversion of any Preferred A Shares, Preferred A Shareholders shall receive, in addition to the Common Shares, the rights under such rights plan, unless, prior to such Conversion Date, the rights have separated from the Common Shares, in which case each Fixed Conversion Rate shall be adjusted at the time of separation of such rights as if the Company made a distribution to all holders of the Common Shares as described in Article 7.11.1.4, subject to readjustment in the event of the expiration, termination or redemption of such rights. Any distribution of rights or warrants pursuant to a rights plan that would allow Preferred A Shareholders to receive upon conversion, in addition to any Common Shares, the rights described therein (unless such rights or warrants have separated from Common Shares) shall not constitute a distribution of rights or warrants that would entitle Preferred A Shareholders to an adjustment to the Fixed Conversion Rates.

7.11.2 Adjustment for Tax Reasons.

The Company may make such increases in each Fixed Conversion Rate, in addition to any other increases required by this Article 7.11, as the Company deems advisable to avoid or diminish any income tax to holders of the Common Shares resulting from any dividend or distribution of Common Shares (or issuance of rights or warrants to acquire Common Shares) or from any event treated as such for income tax purposes or for any other reasons; provided that the same proportionate adjustment must be made to each Fixed Conversion Rate.

7.11.3 Calculation of Adjustments; Adjustments to Threshold Appreciation Price, Initial Price and Share Price.

7.11.3.1 All adjustments to each Fixed Conversion Rate shall be calculated to the nearest 1/10,000th of a Common Share. Prior to the Mandatory Conversion Date, no adjustment in a Fixed Conversion Rate shall be required unless such adjustment would require an increase or decrease of at least one percent (1%) therein; provided, that any adjustments which by reason of this Article 7.11.3.1 are not required to be made shall be carried forward and taken into account in any subsequent adjustment; provided, however that with respect to adjustments to be made to the Fixed Conversion Rates in connection with cash dividends or distributions paid by the Company, the Fixed Conversion Rates shall be adjusted regardless of whether such aggregate adjustments amount to one percent (1%) or more of the Fixed Conversion Rates no later than November 15 of each calendar year; provided, further that on the earlier of the Mandatory Conversion Date, an Early Conversion Date and the Effective Date of a Cash Acquisition, adjustments to each Fixed Conversion Rate shall be made with respect to any such adjustment carried forward that has not been taken into account before such date.

7.11.3.2 If an adjustment is made to the Fixed Conversion Rates pursuant to Article 7.11.1 or Article 7.11.2, an inversely proportional adjustment shall also be made to the Threshold Appreciation Price and the Initial Price solely for purposes of determining which of Articles 7.5.2.1, 7.5.2.2, or 7.5.2.3 of Article 7.5.2 shall apply on the Mandatory Conversion Date. Such adjustment shall be made by dividing each of the Threshold Appreciation Price and the Initial Price by a fraction, the numerator of which shall be either Fixed Conversion Rate immediately after such adjustment pursuant to Article 7.11.1 or Article 7.11.2 and the denominator of which shall be such Fixed Conversion Rate immediately before such adjustment. The Company shall make appropriate adjustments to the Closing Prices prior to the relevant Ex-Date, effective date or Expiration Date, as the case may be, used to calculate the Applicable Market Value to account for any adjustments to the Initial Price, the Threshold Appreciation Price and the Fixed Conversion Rates that become effective during the forty (40) consecutive Trading Day period used for calculating the Applicable Market Value.

7.11.3.3 If:

(A) the record date for a dividend or distribution on Common Shares occurs after the end of the forty (40) consecutive Trading Day period used for calculating the Applicable Market Value and before the Mandatory Conversion Date; and

(B) such dividend or distribution would have resulted in an adjustment of the number of Common Shares issuable to the Preferred A Shareholders had such record date occurred on or before the last Trading Day of such forty (40) Trading Day period, then the Company shall deem the Preferred A Shareholders to be holders of record of Common Shares for purposes of that dividend or distribution. In this case, the Preferred A Shareholders would receive the dividend or distribution on Common Shares together with the number of Common Shares issuable upon the Mandatory Conversion Date.

7.11.3.4 If an adjustment is made to the Fixed Conversion Rates pursuant to Article 7.11.1 or Article 7.11.2, a proportional adjustment shall be made to each Share Price column heading set forth in the table included in the definition of «Cash Acquisition Conversion Rate.» Such adjustment shall be made by multiplying each Share Price included in such table by a fraction, the numerator of which is the Minimum Conversion Rate immediately prior to such adjustment and the denominator of which is the Minimum Conversion Rate immediately after such adjustment.

7.11.3.5 No adjustment to the Fixed Conversion Rates shall be made if Preferred A Shareholders may participate in the transaction that would otherwise give rise to an adjustment as if they held, for each Preferred A Share, a number of Common Shares equal to the Maximum Conversion Rate then in effect. In addition, the applicable Fixed Conversion Rate shall not be adjusted:

(A) upon the issuance of any Common Shares pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on the Company's securities and the investment of additional optional amounts in Common Shares under any plan;

(B) upon the issuance of Common Shares or rights or warrants to purchase those shares pursuant to any present or future benefit or other incentive plan or program of or assumed by the Company or any of its subsidiaries;

(C) upon the issuance of any Common Shares pursuant to any option, warrant, right or exercisable, exchangeable or convertible security outstanding as of the Preferred A Issue Date;

(D) for a change in the nominal value or no nominal value of the Common Shares; or

(E) for accumulated Preferred Dividends on the Preferred A Shares, except as provided under Articles 7.5, 7.6 and 7.7.

7.11.4 Notice of Adjustment.

Whenever the Fixed Conversion Rates and the Cash Acquisition Conversion Rates are to be adjusted, the Company shall:

7.11.4.1 compute such adjusted Fixed Conversion Rates and Cash Acquisition Conversion Rates and prepare and transmit to the Transfer Agent an Officer's Certificate setting forth such adjusted Fixed Conversion Rates and Cash Acquisition Conversion Rates, the method of calculation thereof in reasonable detail and the facts requiring such adjustment and upon which such adjustment is based;

7.11.4.2 within five (5) Business Days following the occurrence of an event that requires an adjustment to the Fixed Conversion Rates and the Cash Acquisition Conversion Rates (or if the Company is not aware of such occurrence, as soon as practicable after becoming so aware), give notice, or cause notice to be given to the Preferred A Shareholders of the occurrence of such event; and

7.11.4.3 within five (5) Business Days following the determination of such adjusted Fixed Conversion Rates and Cash Acquisition Conversion Rates provide, or cause to be provided, to the Preferred A Shareholders a statement setting forth in reasonable detail the method by which the adjustment to such Fixed Conversion Rates and Cash Acquisition Conversion Rates, as applicable, was determined and setting forth such adjusted Fixed Conversion Rates or Cash Acquisition Conversion Rates.

7.11.5 Reorganization Events.

7.11.5.1 In the event of:

(i) any consolidation or merger of the Company with or into another Person (other than a merger or consolidation in which the Company is the continuing company and in which the Common Shares outstanding immediately prior to the merger or consolidation is not exchanged for cash, securities or other property of the Company or another Person);

(ii) any sale, transfer, lease or conveyance to another Person of all or substantially all of the property and assets of the Company;

(iii) any reclassification of Common Shares into securities including securities other than Common Shares; or

(iv) any statutory exchange of securities of the Company with another Person (other than in connection with a merger or acquisition),

in each case, as a result of which the Company's Common Shares would be converted into, or exchanged for, securities, cash or property (each, a «Reorganization Event»), each Preferred A Share outstanding immediately prior to such Reorganization Event shall, without the consent of Preferred A Shareholders, become convertible into the kind of securities, cash and other property (the «Exchange Property») that such Preferred A Shareholder would have been entitled to receive if such Preferred A Shareholder had converted its Preferred A Shares into Common Shares immediately prior to such Reorganization Event. For purposes of the foregoing, the type and amount of Exchange Property in the case of any Reorganization Event that causes the Common Shares to be converted into the right to receive more than a single type of consideration (determined based in part upon any form of shareholder election) shall be deemed to be the weighted average of the types and amounts of consideration received by the holders of Common Shares that affirmatively make such an election. For purposes of this Article 7.11.5, a «Unit of Exchange Property» means the type and amount of such Exchange Property attributable to one Common Share. The number of Units of Exchange Property for each Preferred A Share converted following the effective date of such Reorganization Event shall be determined based on the Mandatory Conversion Rate, Minimum Conversion Rate or Cash Acquisition Conversion Rate, as the case may be, then in effect on the applicable Conversion Date (without any interest thereon and without any right to dividends or distributions thereon which have a record date that is prior to the Conversion Date). In the event of any such Reorganization Event, the applicable conversion rate shall be (1) in the case of an Early Conversion, the Minimum Conversion Rate (with any adjustment thereto under Article 7.6.2 based on the Applicable Early Conversion Market Value as determined using the alternative formulation of Applicable Early Conversion Market Value set forth in the following paragraph) and (2) in the case of a Mandatory Conversion, the Mandatory Conversion Rate (determined under Article 7.5 based upon the Applicable Market Value as determined using the alternative formulation of Applicable Market Value set forth in the following paragraph).

For purposes of this Article 7.11.5, «Applicable Market Value» and «Applicable Early Conversion Market Value» shall be deemed to refer to the Applicable Market Value or Applicable Early Conversion Market Value, as the case may be, of the Exchange Property and such value shall be determined (A) with respect to any publicly traded securities that compose all or part of the Exchange Property, based on the Closing Price of such securities, (B) in the case of any cash that composes all or part of the Exchange Property, based on the amount of such cash and (C) in the case of any other property that composes all or part of the Exchange Property, based on the value of such property, as determined by a (U.S.) nationally recognized independent investment banking firm retained by the Company for this purpose. For purposes of this Article 7.11.5, the term «Closing Price» shall be deemed to refer to the closing sale price, last quoted bid price or mid-point of the last bid and ask prices, as the case may be, of any publicly traded securities that comprise all or part of the Exchange Property. For purposes of this Article 7.11.5, references to Common Shares in the definitions of «Trading Day,» «Applicable Market Value» and «Applicable Early Conversion Market Value» shall be replaced by references to any publicly traded securities that comprise all or part of the Exchange Property.

The above provisions of this Article 7.11.5 shall similarly apply to successive Reorganization Events and the provisions of Article 7.11 shall apply to any Shares of the Company (or any successor) received by the holders of Common Shares in any such Reorganization Event.

The Company (or any successor) shall, within twenty (20) days of the occurrence of any Reorganization Event, give notice to the Preferred A Shareholders of such occurrence of such event and of the kind and amount of the cash, securities or other

property that constitute the Exchange Property. Failure to deliver such notice shall not affect the operation of this Article 7.11.5.

7.12 Notices to Preferred A Shareholders

All notices or other communications, other than as may be required by applicable law with respect to General Meetings, in respect of the Preferred A Shares shall be sufficiently given if given by the Company (i) with respect to Preferred A Shares the holders of which are (directly) inscribed in the register of shareholders of the Company to such registered holders of Preferred A Shares in writing and delivered in person or by first class mail, postage prepaid, or in such other manner as may be permitted in these Articles of Incorporation or by applicable law and (ii) with respect to Preferred A Shares held by or through DTC (and any other depository or settlement system, by notice to DTC (or such other depository or settlement)).

7.13 Miscellaneous.

7.13.1 The Company shall pay any and all share transfer and documentary stamp taxes that may be payable in respect of any issuance or delivery Preferred A Shares or Common Shares or other securities issued on account of Preferred A Shares pursuant hereto. The Company shall not, however, be required to pay any such tax that may be payable in respect of any transfer involved in the issuance or delivery of Common Shares or other securities in a name other than that in which the Preferred A Shares with respect to which such shares or other securities are issued or delivered were registered, and shall not be required to make any such issuance or delivery unless and until the Person otherwise entitled to such issuance or delivery has paid to the Company the amount of any such tax or has established, to the satisfaction of the Company, that such tax has been paid or is not payable.

7.13.2 The Liquidation Preference and the Dividend Rate each shall be subject to equitable adjustment whenever there shall occur a share split, combination, reclassification or other similar event involving the Preferred A Shares. Such adjustments shall be determined in good faith by the Board of Directors and submitted by the Board of Directors to the Transfer Agent.

Art. 8. Limitation of Ownership - Communications Laws.

8.1 The Company may restrict the ownership, or proposed ownership, of Shares or other equity securities of the Company by any Person or the transfer of Shares (or other equity securities) to any Person if the ownership or proposed ownership of Shares (or other equity securities) (or the transfer of Shares or other equity securities to) of such Person (i) is or could be, as determined by the Board of Directors, inconsistent with, or in violation of, any provision of, the Communications Laws, (ii) will or may limit or impair, as determined by the Board of Directors, any business activities or proposed business activities of the Company and/or its group or any group entity under the Communications Laws or (iii) will, or could, make the Company and/or its group or any group entity, subject to any specific law, rule, regulation, provision or policy under the Communications Laws to which the Company, its group or group entity would not be subject to but for such ownership, proposed ownership or transfer ((i), (ii) and (iii) collectively the «Communications Law Limitations»).

8.2 If the Company believes that the ownership or proposed ownership of Shares or other equity securities of the Company by any Person may result in a Communications Law Limitation, the Company may at any time request information from Shareholders, other equity securities holders, transferees or proposed transferees, including without limitation information on citizenship, affiliations, and ownership or other interests in other companies or enterprises, and such Person shall furnish promptly the Company with such information.

8.3 If (A) the Company does not receive the relevant information requested pursuant to Article 8.2 or (B) the Company determines that the ownership or proposed ownership of Shares or other equity securities by a Person or that the exercise of any rights of Shares or other equity securities by a Person, results or could result, as determined by the Company, in a Communications Law Limitation, the Company has the absolute right to (i) refuse to issue Shares or other equity securities to such Person, (ii) refuse to permit or recognise a transfer (or attempted transfer) of Shares or other equity securities to such Person and any such transfer or attempted transfer shall not be inscribed in the register(s) of the Company, (iii) suspend any rights attached to such Shares or equity securities (including without limitation the right to attend and vote at General Meetings

and the right to receive dividends or other distributions) and which causes or could cause such Communications Law Limitation, (iv) compulsorily redeem the Shares or other equity securities of the Company held by such Person. The Company shall in addition have the right to exercise any and all appropriate remedies, at law or in equity in any court of competent jurisdiction, against any such Person, with a view towards obtaining such information or preventing or curing any situation which causes or could cause a Communications Law Limitation. Any measure taken by the Company pursuant to (i), (ii) or (iii), respectively, shall remain in effect until the requested information has been received and/or the Company has determined that the ownership, proposed ownership or transfer of Shares or other equity securities by (or to) the relevant Person or that the exercise of any rights of Shares or other equity securities by such Person as the case may be, will not result in a Communications Law Limitation.

8.4 In case of a compulsory redemption,

8.4.1 the Company shall serve a notice (a «Redemption Notice») upon the relevant Shareholder(s), specifying (1) the Shares to be redeemed, (2) the redemption price for such Shares, and (3) the place at which the redemption price in respect for such Shares is payable. Immediately after the close of business on the date specified in the Redemption Notice, each such Shareholder shall cease to be the owner of the Shares specified in such notice and, as the case may be, such Shareholder's name shall be removed from the relevant register of Shareholders.

8.4.2 The price at which the Shares specified in any Redemption Notice shall be redeemed (the «Redemption Price») shall be an amount equal to the lesser of (A) the aggregate amount paid for such Shares (if acquired within the preceding twelve months from the date of the relevant Redemption Notice), (B) in case the Shares of the Company are listed on a Regulated Market, the last price quoted for the Shares on the business day immediately preceding the day on which the Redemption Notice is served, and (C) the book value per Share determined on the basis of the last published accounts prior to the day of service of the Redemption Notice.

8.4.3 Payment of the Redemption Price may be made directly to the holder of the Shares so redeemed or may be deposited by the Company on an account with a bank in Luxembourg, the United States or elsewhere (as specified in the Redemption Notice) for payment to such holder. Upon payment of the Redemption Price (either directly or through the deposit of such price as aforesaid), no Person interested in the Shares specified in such Redemption Notice shall have any further interest in such Shares or any of them, or any claim against the Company or its assets in respect thereof, except in the case of a deposit of the Redemption Price as aforesaid, the right to receive the Redemption Price so deposited (without interest).

8.4.4 The exercise by the Company of the powers conferred by this Article shall not be questioned or invalidated in any case, on the ground that there was insufficient evidence of ownership of Shares by any Person or that the true ownership of any Shares was otherwise than appeared to the Company at the date of any Redemption Notice.

Art. 9. Shares - Voting Rights.

9.1 Except and subject as set forth in the present Articles, each Share shall be entitled to one vote at all General Meetings of Shareholders.

9.2 Except as otherwise mandatorily provided for by Company Law or as set forth in the Articles, the Preferred A Shares shall not have any voting rights at any General Meeting of the Company or otherwise.

Art. 10. Management of the Company - Board of Directors.

10.1 The Company shall be managed by a Board of Directors which is vested with the broadest powers to manage the business of the Company and to authorise and/or perform all acts of disposal, management and administration falling within the purposes of the Company.

10.2 All powers not expressly reserved by the law or by these Articles to the General Meeting shall be within the competence of the Board of Directors.

10.3 Except as otherwise provided herein or by law, the Board of Directors of the Company is authorised to take such action (by resolution or otherwise) and to adopt such provisions as shall be necessary, appropriate, convenient or deemed fit to implement the purpose of the Company.

Art. 11. Composition of the Board of Directors.

11.1 The Company shall be managed by a Board of Directors composed of a minimum of three (3) Directors and a maximum of twenty (20) (unless otherwise provided for herein) who may but do not need to be Shareholders of the Company.

The Directors are appointed by the General Meeting of Shareholders for a period of up to three (3) years (provided however that such three (3) year term may be exceeded by a period up to the annual General Meeting held following the third anniversary of the appointment); provided however the Directors shall be divided into three (3) classes, namely class I, class II and class III, so that, subject to the number of Directors, each class will consist (as near as possible) of one third (1/3) of the Directors. Directors are elected on a staggered basis, with the Directors of one of the classes being elected each year for a term of up to three (3) years (subject as provided above as to the extension of the term), and provided that the initial class I Directors and the class II Directors shall be elected until the first (for class I) and the second (for class II) annual General Meeting, respectively, held following their appointment. The Directors may be removed with or without cause (ad nutum) by the General Meeting of Shareholders by a simple majority vote of votes cast at a General Meeting of Shareholders. The Directors shall be eligible for re-election indefinitely.

11.2 In the event of a vacancy in the office of a Director because of death, retirement, resignation, dismissal, removal or otherwise, the remaining Directors may fill such vacancy by simple majority vote and appoint a successor in accordance with applicable law.

11.3 (A) Unless otherwise determined by the Board of Directors, candidates for election to the Board must provide to the Company, (i) a written completed questionnaire with respect to the background and qualification of such Person (which questionnaire shall be provided by the Company upon written request), (ii) such information as the Company may request including without limitation as may be required, necessary or appropriate pursuant to any laws or regulation (including any rules, policies or regulation of any Regulated Market where Shares of the Company are listed or trading) applicable to the Company and (iii) the written representation and undertaking that such Person would be in compliance, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading and other policies and guidelines of the Company or under applicable law that are applicable to Directors. (B) Any candidate to be considered must comply as to his/her qualification and affiliations with any laws, regulations, rules or policies (including any rules, policies or regulation of any Regulated Market where Shares of the Company are listed or trading) applicable to the Company.

11.4 Any proposal by Shareholder(s) holding less than ten percent (10%) of the issued share capital (the «Nominating Shareholder(s)»), of candidate(s) for election to the Board of Directors by the General Meeting (a «Proposal») must be received by the Company in writing pursuant to the provisions set forth hereafter, unless otherwise expressly provided by mandatory law:

11.4.1 Notice of Candidates - Timing

11.4.1.1 Any Proposal must be made to the Company by timely written notice by the Nominating Shareholder(s) (the «Notice of Candidates»). To be timely, the Notice of Candidates must be received at the registered office of the Company by the following dates prior to the relevant General Meeting where the election of members to the Board is on the agenda:

11.4.1.2 in the case of a Proposal for election to the Board at an annual General Meeting, not less than ninety (90) days and no more than one hundred and twenty (120) days prior to the one (1) year anniversary of the first mailing of the notice relating to the preceding year's annual General Meeting; provided that, in the event the date of such annual General Meeting is advanced by more than thirty (30) days prior to, or delayed by more than thirty (30) days after, the one (1) year anniversary of the previous year's annual General Meeting, the Notice of Candidates must be received in writing by the Company not earlier than the close of business (local time, CET) on the one hundred and twentieth (120th) day prior to such annual General Meeting and not later

than the close of business (CET) on the later of the ninetieth (90th) day prior to such annual General Meeting and the tenth (10th) day following the day on which the first public announcement of such (advanced or delayed) annual General Meeting is made;

11.4.1.3 in the case of a Proposal for election to the Board at a General Meeting other than the annual General Meeting (it being understood that such Proposal is only admissible if the election of members to the Board is referenced as an agenda item of such General Meeting), the Notice of Candidates in writing must be received by the Company not earlier than the close of business (local time, CET) on the one hundred and twentieth (120th) day prior to such General Meeting and not later than the close of business (CET) on the later of the ninetieth (90th) day prior to such General Meeting and the tenth (10th) day following the day on which the first public announcement of such General Meeting is made.

11.4.1.4 An adjournment, postponement or deferral, or announcement of an adjournment, postponement or deferral, of an annual or other General Meeting will not commence a new time period (or extend any time period) for the receipt of a Notice of Candidates by the Company.

11.4.2 The Notice of Candidates must at least include the following information or evidence:

11.4.2.1 the name and record address of each Nominating Shareholder;

11.4.2.2 a representation that each Nominating Shareholder is a holder of Shares of the Company and intends to appear in Person or by proxy at the General Meeting to make the Proposal, and the evidence of such Nominating Shareholder's holding of Shares;

11.4.2.3 the written consent of the candidate contained therein to being named as a candidate for the election to the Board and in any announcement, proxy statement or other document, and to serve as a Director of the Company if elected;

11.4.2.4 the information under Article 11.3 as to the candidate named therein and evidence that the candidate named therein complies with the provisions of Article 11.3 (B); and the written representation by the Nominating Shareholder(s) and by the candidate contained therein that such information and evidence is true, correct and up to date;

11.4.2.5 the written undertaking by the candidate to promptly provide such further information and/or evidence as may be required by the Company pursuant to Article 11.3;

11.4.2.6 the written undertaking by the Nominating Shareholder(s) to provide the Company promptly with any information or evidence reasonably requested by the Company in order for the Company to comply with any laws, regulations, rules or policies (including any rules, policies or regulation of any Regulated Market where Shares of the Company are listed or trading) applicable to the Company.

11.5 If the Nominating Shareholder(s) (or a qualified representative thereof) does not appear at the applicable General Meeting to make the Proposal, such Proposal shall be disregarded, notwithstanding that proxies in respect thereof may have been received by the Company.

Art. 12. Chairman.

12.1 The Board of Directors shall, to the extent required by law and otherwise may, appoint the chairman of the Board of Directors amongst its members (the «Chairman»). The Chairman shall preside over all meetings of the Board of Directors and of Shareholders. In the absence of the Chairman of the Board, a chairman determined ad hoc, shall chair the relevant meeting.

12.2 In case of a tie, neither the Chairman nor any other Board member shall have a casting (tie breaking) vote.

Art. 13. Board Proceedings.

13.1 The Board of Directors shall meet upon call by (or on behalf of) the Chairman or any two Directors. The Board of Directors shall meet as often as required by the interest of the Company.

13.2 Notice of any meeting of the Board of Directors must be given by letter, cable, telegram, telephone, facsimile transmission, or e-mail advice to each Director, two (2) days before the meeting, except in the case of an emergency, in which event twenty four (24) hours' notice shall be sufficient. No convening notice shall be required for meetings held pursuant to a schedule previously approved by the Board and communicated to all Board members. A meeting of the Board may also be

validly held without convening notice to the extent the Directors present or represented do not object and those Directors not present or represented have waived the convening notice in writing, by facsimile transmission, email or otherwise.

13.3 Meetings of the Board of Directors may be held physically or, in all circumstances, by way of telephone conference call, video conference or similar means of communication which permit the participants to communicate with each other. A Director attending in such manner shall be deemed present at the meeting for as long as he is connected.

13.4 Any Director may act at any meeting of the Board of Directors by appointing in writing by letter or by cable, telegram, facsimile transmission or e-mail another Director as his proxy. A Director may represent more than one of the other Directors.

13.5 The Board of Directors may deliberate and act validly only if a majority of the Board members (entitled to vote) are present or represented. Decisions shall be taken by a simple majority of the votes validly cast by the Board members present or represented (and entitled to vote).

13.6 The Board of Directors may also in all circumstances with unanimous consent pass resolutions by circular means and written resolutions signed by all members of the Board will be as valid and effective as if passed at a meeting duly convened and held. Such signatures may appear on a single document or multiple copies of an identical resolution and may be evidenced by letters, cables, facsimile transmission, or e-mail.

13.7 The minutes of any meeting of the Board of Directors (or copies or extracts of such minutes which may be produced in judicial proceedings or otherwise) shall be signed by the Chairman, the chairman (ad hoc) of the relevant meeting or by any two (2) Directors or as resolved at the relevant Board meeting or any subsequent Board meeting. Minutes or resolutions of the Board (or copies or extracts thereof) may further be certified by the secretary of the Board.

Art. 14. Delegation of power, committees, secretary.

14.1 The Board may delegate the daily management of the business of the Company, as well as the power to represent the Company in its day to day business, to individual Directors or other officers or agents of the Company (with power to sub-delegate). In addition the Board of Directors may delegate the daily management of the business of the Company, as well as the power to represent the Company in its day to day business, to an executive or other committee as it deems fit. The Board of Directors shall determine the conditions of appointment and dismissal as well as the remuneration and powers of any Person or Persons so appointed.

14.2 The Board of Directors may (but shall not be obliged to unless required by law) establish one or more committees and for which it shall, if one or more of such committees are set up, appoint the members (who may be but do not need to be Board members), determine the purpose, powers and authorities as well as the procedures and such other rules as may be applicable thereto.

14.3 The Board of Directors may appoint a secretary of the Company who may but does not need to be a member of the Board of Directors and determine his/her responsibilities, powers and authorities.

Art. 15. Binding Signature. The Company will be bound by the sole signature of the Chairman or the sole signature of any one (1) Director or by the sole or joint signatures of any Persons to whom such signatory power shall have been delegated by the Board of Directors. For the avoidance of doubt, for acts regarding the daily management of the Company, the Company will be bound by the sole signature of the administrateur délégué («Chief Executive Officer» or «CEO») or any Person or Persons to whom such signatory power is delegated by the Board of Directors (with or without power of substitution).

Art. 16. Board Liability, Indemnification.

16.1 The Directors are not held personally liable for the indebtedness or other obligations of the Company. As agents of the Company, they are responsible for the performance of their duties. Subject to the exceptions and limitations listed in Article 16.2, every person who is, or has been, a director or officer of the Company or a direct or indirect subsidiary of the Company shall be indemnified by the Company to the fullest extent permitted by law against liability and against all expenses reasonably incurred or paid by him in connection with any claim, action, suit or proceeding which he becomes involved as a party or otherwise by

virtue of his being or having been a director or officer of the Company or a direct or indirect subsidiary of the Company and against amounts paid or incurred by him in the settlement thereof. The words «claim», «action», «suit» or «proceeding» shall apply to all claims, actions, suits or proceedings (civil, criminal or otherwise including appeals) actual or threatened and the words «liability» and «expenses» shall include without limitation attorneys' fees, costs, judgements, amounts paid in settlement and other liabilities.

16.2 No indemnification shall be provided to any director or officer of the Company or a direct or indirect subsidiary of the Company:

16.2.1 Against any liability to the Company or its shareholders by reason of wilful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his/her office;

16.2.2 With respect to any matter as to which he/she shall have been finally adjudicated to have acted in bad faith and not in the interest of the Company (or as the case may be the relevant subsidiary); or

16.2.3 In the event of a settlement, unless the settlement has been approved by a court of competent jurisdiction or by the Board of Directors.

16.3 The Company may, to the fullest extent permitted by law, purchase and maintain insurance or furnish similar protection or make other arrangements, including, but not limited to, providing a trust fund, letter of credit, or surety bond on behalf of a director or officer of the Company or a direct or indirect subsidiary of the Company against any liability asserted against him or incurred by or on behalf of him in his capacity as a director or officer of the Company or a direct or indirect subsidiary of the Company.

16.4 The right of indemnification herein provided shall be severable, shall not affect any other rights to which any director or officer of the Company or a direct or indirect subsidiary of the Company may now or hereafter be entitled, shall continue as to a person who has ceased to be such director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person. The right to indemnification provided herein is not exclusive, and nothing contained herein shall affect any rights to indemnification to which corporate personnel, including directors and officers, may be entitled by contract or otherwise under law.

16.5 Expenses in connection with the preparation and representation of a defence of any claim, action, suit or proceeding of the character described in this Article shall be advanced by the Company prior to final disposition thereof upon receipt of an undertaking by or on behalf of the officer or director, to repay such amount if it is ultimately determined that he/she is not entitled to indemnification under this Article.

Art. 17. Conflicts of Interest.

17.1 No contract or other transaction between the Company and any other company or firm shall be affected or invalidated by the fact that any one or more of the Directors or officers of the Company is interested in, or is a director, associate, officer, agent, adviser or employee of such other company or firm. Any Director or officer who serves as a director, officer or employee or otherwise of any company or firm with which the Company shall contract or otherwise engage in business shall not, by reason of such affiliation with such other company or firm only, be prevented from considering and voting or acting upon any matters with respect to such contract or other business.

17.2 In the case of a conflict of interest of a Director, such Director shall indicate such conflict of interest to the Board and shall not deliberate or vote on the relevant matter. Any conflict of interest arising at Board level shall be reported to the next General Meeting of Shareholders before any resolution as and to the extent required by law.

Art. 18. General Meetings of Shareholders.

18.1 Any regularly constituted General Meeting of Shareholders of the Company shall represent the entire body of Shareholders of the Company. It shall have the broadest powers to order, carry out or ratify acts relating to the operations of the Company.

18.2 The annual General Meeting shall be held, in accordance with Luxembourg law, at the registered office of the Company, or at such other place in Luxembourg as may be specified in the notice of the meeting within six months of the end of the accounting year.

18.3 Other General Meetings may be held at such place and time as may be specified in the respective notices of meeting.

18.4 General Meetings shall be convened in accordance with the provisions of law. If all of the Shareholders are present or represented at a general meeting of Shareholders, the General Meeting may be held without prior notice or publication.

18.5 Proposals from Shareholders for any General Meeting, excluding Proposals pursuant to Article 11.4 and including, as to in particular without limitation regarding agenda items, resolutions or any other business, may only be made in compliance with the Company Law and Rule 14a-8 and these Articles and will only be accepted by the Company if required by the Company Law and Rule 14a-8 and these Articles.

18.6 The Board of Directors may determine a date preceding the General Meeting as the record date for admission to, and voting any Shares at, the General Meeting (the «GM Record Date»). If a GM Record Date is determined for the admission to and voting at a General Meeting only those Persons holding Shares on the GM Record Date may attend and vote at the General Meeting (and only with respect to those Shares held by them on the GM Record Date).

18.7 Where, in accordance with the provisions of Article 6.1.7 of the present Articles, Shares are recorded in the register(s) of Shareholders in the name of a Depositary or sub-depositary of the former, the certificates provided for in Article 6.1.7 must be received by the Company (or its agents as set forth in the convening notice) no later than the day determined by the Board. Such certificates must (unless otherwise required by applicable law) certify, in case a GM Record Date has been determined, that the Shares were held for the relevant Person on the GM Record Date.

18.8 Proxies for a General Meeting must be received by the Company (or its agents) by the deadline determined by the Board, provided that the Board of Directors may, if it deems so advisable amend these periods of time for all Shareholders and admit Shareholders (or their proxies) who have provided the appropriate documents to the Company (or its agents as aforesaid) to the General Meeting, irrespective of these time limits.

18.9 The Board of Directors shall adopt all other regulations and rules concerning the attendance to the General Meeting, and availability of access cards, proxy forms and/or voting forms in order to enable Shareholders to exercise their right to vote.

18.10 Any Shareholder may be represented at a General Meeting by appointing as his or her proxy another Person, who need not be a Shareholder.

18.11 Holders of notes or bonds or other securities issued by the Company (if any) shall not, unless compulsorily otherwise provided for by law, be entitled to assist or attend General Meetings or receive notice thereof.

Art. 19. Majority and Quorum at the General Meeting.

19.1 At any General Meeting of Shareholders other than a General Meeting convened for the purpose of amending the Company's Articles of Incorporation or voting on resolutions whose adoption is subject to the quorum and majority requirements for amendments of the Articles of Incorporation, no presence quorum is required and resolutions shall be adopted, irrespective of the number of Shares represented, by a simple majority of votes validly cast.

19.2 At any extraordinary General Meeting of Shareholders for the purpose of amending the Company's Articles of Incorporation or voting on resolutions whose adoption is subject to the quorum and majority requirements for amendments of the Articles of Incorporation, the quorum shall be at least one half of the issued share capital of the Company. If the said quorum is not present, a second General Meeting may be convened at which there shall be no quorum requirement (subject to the provisions of Article 19.3). Resolutions amending the Company's Articles of Incorporation or whose adoption is subject to the quorum and majority requirements for amendments of the Articles of Incorporation shall only be validly passed by a two thirds (2/3) majority of the votes validly cast at any such General Meeting, save as otherwise provided by law or the present Articles (including in particular Article 19.3 and Article 20.2).

19.3 Any resolutions for the amendment of the provisions of Article 8 (Limitation of Ownership-Communications Laws), Article 11.1 (with respect to the staggering of Board terms), Articles 11.4 (as to proposal(s) of candidates for election to the Board of Directors), and the present Article 19.3 (and any cross references thereto), shall only be validly passed by the favourable vote of a two thirds (2/3) majority of the Common Shares in issue and entitled to vote.

Art. 20. Amendments of Articles.

20.1 The Articles of Incorporation may be amended from time to time by a resolution of the General Meeting of Shareholders to the quorum and voting requirements provided by the laws of Luxembourg and as may otherwise be provided herein (including without limitation Article 19.3 and Article 20.2).

20.2 The Company shall not, without the affirmative vote of (i) at least two-thirds of the outstanding Preferred A Shares as a separate class or (ii) at least two-thirds of the outstanding Preferred A Shares and all other series of preferred Shares entitled to vote thereon under the Articles of Incorporation or applicable law:

20.2.1 amend or alter the provisions of the Articles of Incorporation so as to authorize or create, or increase the authorized amount of, any specific class or series of Shares ranking senior to the Preferred A Shares with respect to payment of dividends or the distribution, to the extent this adversely impacts the Preferred A Shares, of assets upon the liquidation, dissolution or winding up of the Company; or

20.2.2 amend, alter or repeal the provisions of the Articles of Incorporation which materially and adversely affect the special rights, preferences, privileges and voting powers of the Preferred A Shares; or

20.2.3 consummate a binding Share exchange or reclassification involving the Preferred A Shares or a merger or consolidation of the Company into or with another entity, unless in each case: (i) the Preferred A Shares remain outstanding and are not amended in any respect or, in the case of any such merger or consolidation with respect to which the Company is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent; and (ii) such Preferred A Shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the Preferred A Shareholders than the rights, preferences, privileges and voting powers of the Preferred A Shares immediately prior to such consummation, taken as a whole, provided, however, that, unless otherwise required by law, (1) any increase in the number of the authorized but unissued preferred Shares, (2) any increase in the authorized or issued number of preferred shares and (3) the creation and issuance, or an increase in the authorized or issued amount, of any other series of preferred Shares ranking equally with or junior to the Preferred A Shares with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon the liquidation, dissolution or winding up of the Company, will be deemed not to materially and adversely affect the special rights, preferences, privileges or voting powers of the Preferred A Shares.

Notwithstanding the foregoing, unless otherwise required by law, such vote shall not be required for, and amendments, alteration, supplements or repealing to the terms of the Preferred A Shares may be made without such affirmative vote so long as such action does not adversely affect the special rights, preferences, privileges and voting powers of the Preferred A Shares, taken as a whole, for the following purposes: (i) to cure any ambiguity or mistake, or to correct or supplement any provision contained in the Articles of Incorporation relating to the Preferred A Shares that may be defective or inconsistent with any other provision contained in the Articles of Incorporation relating to the Preferred A Shares; or (ii) to make any provision with respect to matters or questions relating to the Preferred A Shares that is not inconsistent with the provisions of the Articles of Incorporation relating to the Preferred A Shares.

Art. 21. Accounting Year. The accounting year of the Company shall begin on first of January and shall terminate on thirty-first of December of each year.

Art. 22. Auditor. The operations of the Company shall be supervised by a supervisory auditor (commissaire aux comptes) who may but need not be a shareholder. The supervisory auditor shall be elected by the General Meeting for a period ending at the next annual General Meeting or until a successor is elected. The supervisory auditor in office may be removed at any time by the General Meeting with or without cause.

In the event the thresholds set by law as to the appointment of an approved statutory auditor (réviseur d'entreprises agréé) are met or otherwise required or permitted by law, the accounts of the Company shall (and in case only permitted but not required by law, may) be supervised by an approved statutory auditor (réviseur d'entreprises agréé).

Art. 23. Dividends/Distributions.

23.1 From the annual net profits of the Company, five per cent (5%) shall be allocated to an un-distributable reserve required by law. This allocation shall cease to be required as soon and as long as such reserve amounts to ten per cent (10%) of the issued share capital of the Company.

23.2 The General Meeting of Shareholders, upon recommendation of the Board of Directors, shall determine how the remainder of the annual net profits will be disposed of.

23.3 Interim distributions (including for the avoidance of doubt, interim dividends) may be declared and paid (including by way of staggered payments) by the Board of Directors (including out of any premium or other capital or other reserves) subject to observing the terms and conditions provided by law either by way of a cash distribution or by way of an in kind distribution (including Shares).

23.4 The distributions declared may be paid in United States Dollars (USD) or any other currency selected by the Board of Directors and may be paid at such places and times as may be determined by the Board of Directors (subject to the resolutions of the General Meeting of Shareholders). The Board of Directors may make a final determination of the rate of exchange applicable to translate distributions of funds into the currency of their payment. Distributions may be made in specie (including by way of Shares).

23.5 In the event it is decided by the General Meeting or the Board (in the case interim distributions declared by the Board or otherwise), that a distribution be paid in Shares or other securities of the Company, the Board of Directors may exclude from such offer such Shareholders it deems necessary or advisable due to legal or practical problems in any territory or for any other reasons as the Board may determine (including Communications Law Limitations).

23.6 A distribution declared but not paid (and not claimed) on a Share after five years cannot thereafter be claimed by the holder of such Share and shall be forfeited by the holder of such Share, and revert to the Company. No interest will be paid on distributions declared and unclaimed which are held by the Company on behalf of holders of Shares.

Art. 24. Liquidation.

24.1 In the event of the dissolution of the Company for whatever reason or at whatever time, the liquidation will be performed by liquidators or by the Board of Directors then in office who will be endowed with the powers provided by articles 144 et seq. of the Company Law. Once all debts, charges and liquidation expenses have been met, any balance resulting shall be paid to the holders of Shares in the Company in accordance with the provisions of these Articles.

Art. 25. Sole Shareholder. If, and as long as one Shareholder holds all the Shares of the Company, the Company shall exist as a single Shareholder company pursuant to the provisions of Company Law. In the event the Company has only one Shareholder, the Company may at the option of the sole Shareholder be managed by one Director as provided for by law and all provisions in the present Articles referring to the Board of Directors shall be deemed to refer to the sole Director (mutatis mutandis), who shall have all such powers as provided for by law and as set forth in the present Articles with respect to the Board of Directors.

Art. 26. Definitions.

Affiliate Means of any specified Person, any other Person directly or indirectly controlling or controlled by or

under direct or indirect common control with such specified Person. For purposes of this definition, «control» (including, with correlative meanings, the terms «controlling,» «controlled by» and «under common control with»), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

Applicable Market Value	Means the average of the Closing Prices per Common Share over the forty (40) consecutive Trading Day period ending on the third (3 rd) Trading Day immediately preceding the Mandatory Conversion Date.
Articles or Articles of Incorporation	Means the present articles of incorporation of the Company as amended from time to time.
Board or Board of Directors	Means the board of directors (conseil d'administration) of the Company.
Business Day	Means any day other than a Saturday or Sunday or any other day on which commercial banks in New York City, New York or Luxembourg city, Luxembourg are authorized or required by law or executive order to close.
Cash Acquisition	Shall be deemed to have occurred, at such time after the Preferred A Issue Date upon: (i) the consummation of any transaction or event (whether by means of an exchange offer, liquidation, tender offer, consolidation, merger, combination, recapitalization or otherwise) in connection with which 90% or more of the Common Shares is exchanged for, converted into, acquired for or constitutes solely the right to receive, consideration 10% or more of which is not common stock that is listed on, or immediately after the transaction or event will be listed on, a United States national securities exchange; (ii) any «person» or «group» (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act, whether or not applicable), other than the Company, any of its majority-owned subsidiaries or any of the Company's or its majority-owned subsidiaries' employee benefit plans, or any of the Permitted Holder becoming the «beneficial owner,» directly or indirectly, of more than 50% of the total voting power in the aggregate of all classes of share capital then outstanding entitled to vote generally in elections of the Company's directors, or (iii) our Common Shares (or any Common Shares, depositary receipts or other securities representing common equity interests into which the Preferred A Shares become convertible in connection with a Reorganization Event) cease (further to admission to the New York Stock Exchange in 2013) to be listed for trading on the New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or any of their respective successors) or other United States national securities exchange.
Cash Acquisition Conversion Rate	Means the conversion rate set forth in the table below for the Effective Date and the Share Price applicable to any Cash Acquisition Conversion that occurs on or prior to the Mandatory Conversion Date:

Art. 27. Applicable law, Forum.

Effective date	Share price on effective date					
	\$5.00	\$10.00	\$12.50	\$15.00	\$18.00	\$20.00
April 17, 2013	2.7297	2.6281	2.5428	2.4597	2.3780	2.3368
May 1, 2014	2.7493	2.6952	2.6199	2.5295	2.4292	2.3759
May 1, 2015	2.7639	2.7534	2.7120	2.6280	2.5000	2.4226
May 1, 2016	2.7778	2.7778	2.7778	2.7778	2.7778	2.5000

Effective date	Share price on effective date					
	\$22.05	\$25.00	\$30.00	\$40.00	\$50.00	\$60.00
April 17, 2013	2.3047	2.2729	2.2451	2.2313	2.2311	2.2321
May 1, 2014	2.3340	2.2932	2.2596	2.2450	2.2445	2.2448
May 1, 2015	2.3608	2.3044	2.2665	2.2564	2.2562	2.2562
May 1, 2016	2.2676	2.2676	2.2676	2.2676	2.2676	2.2676

If the Share Price falls between two Share Prices set forth in the table above, or if the Effective Date falls between two Effective Dates set forth in the table above, the Cash Acquisition Conversion Rate shall be determined by straight-line interpolation between the Cash Acquisition Conversion Rates set forth for the higher and lower Share Prices and the earlier and later Effective Dates, as applicable, based on a 365-day year.

If the Share Price is in excess of sixty US Dollars (USD 60.00) per Common Share (subject to adjustment in the same manner as adjustments are made to the Share Price in accordance with the provisions of Article 7.11.3.4, then the Cash Acquisition Conversion Rate shall be the Minimum Conversion Rate. If the Share Price is less than five US Dollars (USD 5.00) per Common Share (subject to adjustment in the same manner as adjustments are made to the Share Price in accordance with the provisions of Article 7.11.3.4, then the Cash Acquisition Conversion Rate shall

be the Maximum Conversion Rate. The Share Prices in the table above are subject to adjustment in accordance with the provisions of Article 7.11.3.4. The conversion rates set forth in the table above are each subject to adjustment in the same manner as each Fixed Conversion Rate as set forth in Article 7.11.

Class	Means a class or series of Shares of the Company, namely the series of Common Shares and the series of Preferred A Shares.
Closing Price	<p>Means for the Common Shares or any securities distributed in a Spin-Off, as the case may be, as of any date of determination:</p> <p>(i) the closing price or, if no closing price is reported, the last reported sale price, of the Common Shares or such other securities on the New York Stock Exchange on that date; or</p> <p>(ii) if the Common Shares or such other securities are not traded on the New York Stock Exchange, the closing price on that date as reported in composite transactions for the principal U.S. national or regional securities exchange on which the Common Shares or such other securities are so traded or, if no closing price is reported, the last reported sale price of the Common Shares or such other securities on the principal U.S. national or regional securities exchange on which the Common Shares or such other securities are so traded on that date; or</p> <p>(iii) if the Common Shares or such other securities are not traded on a U.S. national or regional securities exchange, the last quoted bid price on that date for the Common Shares or such other securities in the over-the-counter market as reported by Pink OTC Markets Inc. or a similar organization; or</p> <p>(iv) if the Common Shares or such other securities are not so quoted by Pink OTC Markets Inc. or a similar organization, the market price of the Common Shares or such other securities on that date as determined by a nationally recognized independent investment banking firm retained by the Company for this purpose.</p> <p>For the purposes of these Articles of Incorporation, all references herein to the closing price and the last reported sale price of the Common Shares on the New York Stock Exchange shall be such closing price and last reported sale price as reflected on the website of the New York Stock Exchange (www.nyse.com) and as reported by Bloomberg Professional Service; provided that in the event that there is a discrepancy between the closing price and the last reported sale price as reflected on the website of the New York Stock Exchange and as reported by Bloomberg Professional Service, the closing price and the last reported sale price on the website of the New York Stock Exchange shall govern.</p>
Common Shareholder	Means a holder of one or more Common Shares (with respect to his/her/its Common Shares).
Common Shares	Means the common shares (actions ordinaires) of the Company with the rights and obligations as set forth in the Articles other than the Preferred A Shares.
Communications Laws	Means the United States Communications Act of 1934, as amended, the United States Telecommunications Act of 1996, any rule, regulation or policy of the Federal Communications Commission, and/or any statute, rule, regulation or policy of any other U.S., federal, state or local governmental or regulatory authority, agency, court commission, or other governmental body with respect to the operation of channels of radio communication and/or the provision of communications services.
Company Law	Means the law of 10 th August 1915 on commercial companies as amended (and any replacement law thereof).
Current Market Price	<p>Means per Common Share (or, in the case of Article 7.11.1.4, per Common Share, the Company's share capital or equity interest, as applicable) on any date means for the purposes of determining an adjustment to the Fixed Conversion Rate:</p> <p>(i) for purposes of adjustments pursuant to Article 7.11.1.2, Article 7.11.1.4 in the event of an adjustment not relating to a Spin-Off, and Article 7.11.1.5, the average of the Closing Prices of the Common Shares over the five (5) consecutive Trading Day period ending on the Trading Day immediately preceding the Ex-Date with respect to the issuance or distribution requiring such computation;</p> <p>(ii) for purposes of adjustments pursuant to Article 7.11.1.4 in the event of an adjustment relating to a Spin-Off, the average of the Closing Prices of the Common Shares, the Company's share capital or equity interests, as applicable, over the first ten consecutive Trading Days commencing on and including the fifth (5th) Trading Day immediately following the effective date of such distribution; and</p> <p>(iii) for purposes of adjustments pursuant to Article 7.11.1.6, the average of the Closing Prices of the Common Shares over the five (5) consecutive Trading Day period ending on the seventh Trading Day after the Expiration Date of the relevant tender offer or exchange offer.</p>
Director	Means a member of the Board of Director or, as the case may be, the sole Director of the Company.
dividend or distribution	Means any dividend or other distribution whether made out of profits, premium or any other

available reserves.

Dividend Payment Date	Means (subject to the relevant declaration being made) February 1, May 1, August 1 and November 1, of each year commencing on August 1, 2013 to and including the Mandatory Conversion Date
Dividend Period	Means the period from, and including, a Dividend Payment Date to, but excluding, the next Dividend Payment Date, except that the initial Dividend Period shall commence on, and include, the Preferred A Issue Date and shall end on, but exclude, August 1, 2013.
DTC	Means The Depository Trust Corporation or any similar facility or depository used for the settlement of transactions in the Preferred A Shares.
Exchange Act	Means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.
Ex-Date	Means when used with respect to any issuance or distribution, means the first date on which Common Shares trade without the right to receive such issuance or distribution.
Fair Market Value	Means the fair market value as determined in good faith by the Board of Directors, whose determination shall be conclusive.
Fixed Conversion	Rates Means the Maximum Conversion Rate and the Minimum Conversion Rate.
General Meeting	Means the general meeting of Shareholders.
Junior Shares	Means (i) the Common Shares and (ii) each other class or series of share capital or series of preferred shares established after the Preferred A Issue Date, the terms of which do not expressly provide that such class or series ranks senior to or on a parity with the Preferred A Shares as to dividend or distribution rights or rights upon the Company»s liquidation, winding-up or dissolution.
Liquidation Preference	Means, as to the Preferred A Shares, USD 50.00 per Preferred A Share.
Management Group	Means the group consisting of the directors, executive officers and other management personnel of the Company on the Preferred A Issue Date.
Mandatory Conversion Date	Means May 1, 2016.
Officers Certificate	Means a certificate of the Company, signed by any of the Chief Executive Officer, the Chief Financial Officer, the President, any Executive Vice President, any Senior Vice President, any Vice President, the Treasurer or the Secretary of the Company duly authorized therefore.
outstanding	Means with respect to Shares, Shares that are in issue and not held in treasury by the Company or a subsidiary of the Company.
Parity Shares	Means any class or series of share capital or class or series of preferred shares established after the Preferred A Issue Date, the terms of which expressly provide that such class or series shall rank on a parity with the Preferred A Shares as to dividend or distribution rights or rights upon the Company»s liquidation, winding-up or dissolution.
Permitted Holders	Means, at any time, (i) the Sponsors, (ii) the Management Group and (iii) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision) the members of which include any of the Permitted Holders specified in clauses (i) and/or (ii) above, and that (directly or indirectly) hold or acquire beneficial ownership of the share capital of the Company entitled to vote in elections of the Company»s directors (a «Permitted Holder Group»), so long as no Person or other «group» (other than Permitted Holders specified in clauses (i) and (ii) above) beneficially owns more than 50% on a fully diluted basis of the share capital of the Company entitled to vote in elections of the Company»s directors held by such Permitted Holder Group.
Person	Means any individual, partnership, firm, corporation, limited liability company, business trust, joint-stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.
Preferred A Issue Date	Shall mean April 23, 2013, the first original issue date of the Preferred A Shares.
Preferred A Record Date	Means the January 15, April 15, July 15 and October 15, immediately preceding the Dividend Payment Date on February 1, May 1, August 1 and November 1, respectively. These Preferred A Record Dates shall apply regardless of whether a particular Preferred A Record Date is a Business Day.
Preferred A Record Holders	Means a holder of record of Preferred A Shares at 5:00 p.m., New York City time, on a Preferred A Record Date.
Preferred A Shareholder	Means a holder of one or more Preferred A Shares (with respect to his/her/its Preferred A Shares).
Preferred A Shares	Means the Series A mandatory convertible junior non-voting preferred shares (actions préférentielles junior sans droits de vote convertibles obligatoirement en actions ordinaires) of the Company with the rights and obligations as set forth in the Articles.
RCS Law	Means the law dated 19 December 2002 concerning the register of commerce and of companies as well as the accounting and the annual accounts of undertakings.
Regulated Market	Means any official stock exchange or securities exchange market in the European Union, the

United States of America or elsewhere.

Rule 14a-8	Means Rule 14a-8 of the Exchange Act and any successor rule promulgated thereunder.
SEC	Means the United States Securities and Exchange Commission.
Senior Shares	Means each class or series of share capital or series of preferred shares established after the Preferred A Issue Date, the terms of which expressly provide that such class or series shall rank senior to the Preferred A Shares as to dividend or distribution rights or rights upon the Company's liquidation, winding-up or dissolution.
set apart	Means with respect to treasury Shares, such treasury Shares which have been set apart for a specific purpose or with respect to authorized unissued Shares, Shares for which the issuance has been decided in principle by the Board for a specific purpose.
Share Dilution Amount	Means the increase in the number of diluted shares outstanding (determined in accordance with generally accepted accounting principles in the United States, and as measured from the Preferred A Issue Date) resulting from the grant, vesting or exercise of equity-based compensation to employees and equitably adjusted for any share split, share dividend, reverse share split, reclassification or similar transaction.
Share Price	Means the price paid per Common Share in a Cash Acquisition. If the consideration paid consists only of cash, the Share Price shall equal the amount of cash paid per Common Share. If the consideration paid consists, in whole or in part, of any property other than cash, the Share Price shall be the average VWAP per Common Share over the ten (10) consecutive Trading Day period ending on the Trading Day preceding the Effective Date.
Shareholder	Means subject to the Articles a duly registered holder of one or more Shares of the Company.
Shares	Means the shares (actions) of the Company regardless of class or series.
Shelf Registration Statement	Shall mean a shelf registration statement filed with the SEC in connection with the issuance of or resales of Common Shares issued as payment of a Preferred Dividend, including Preferred Dividends paid in connection with a conversion.
Spin-Off	Means a dividend or distribution to all holders of Common Shares consisting of share capital of, or similar equity interests in, or relating to a subsidiary or other business unit of the Company.
Sponsors	Means (1) one or more investment funds advised, managed or controlled by BC Partners Holdings Limited or any Affiliate thereof, (2) one or more investment funds advised, managed or controlled by Silver Lake or any Affiliate thereof and (3) one or more investment funds advised, managed or controlled by any of the Persons described in (1) and (2) of this definition, and, in each case, (whether individually or as a group) their Affiliates.
Trading Days	Means days on which the Common Shares: a) are not suspended from trading on any U.S. national or regional securities exchange or association or over-the-counter market at the close of business; and (b) have traded at least once on the U.S. national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Shares.
VWAP	Means per Common Share on any Trading Day the per Common Share volume-weighted average price as displayed on Bloomberg page «IAQR» (or its equivalent successor if such page is not available) in respect of the period from 9:30 a.m. to 4:00 p.m., New York City time, on such Trading Day; or, if such price is not available, «VWAP» means the market value per Common Share on such Trading Day as determined by a nationally recognized independent investment banking firm retained by the Company for this purpose. The «average VWAP» means the average of the VWAP for each Trading Day in the relevant period.

27.1 For anything not dealt with in the present Articles of Incorporation, the Shareholders refer to the relevant legislation.

27.2 The competent Luxembourg courts shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a duty owed by any director or officer of the Company to the Company or the Company's Shareholders, (iii) any action asserting a claim against the Company arising pursuant to any provision of the Company Law and the RCS Law or the Company's Articles of Incorporation, and (iv) any action asserting a claim against the Company with respect to its internal affairs, relationship with its Shareholders or other holders of interest, its directors, officers, or any action as to its Articles of Incorporation or other constitutional or governing documents.

SUITE LA TRADUCTION FRANCAISE DU TEXTE QUI PRECEDE:

Art. 1^{er}. Forme, Dénomination. Il est formé par l'(les) actionnaire(s) et tous ceux qui pourront devenir par la suite propriétaires d'Actions, une société anonyme sous la dénomination **Intelsat S.A.** (la «Société»).

Art. 2. Durée. La Société est constituée pour une durée illimitée. La Société peut être dissoute à tout moment en vertu d'une décision des Actionnaires adoptée selon les modalités requises en matière de modification des présents Statuts.

Art. 3. Siège social.

3.1 Le siège social de la Société est établi dans la Ville de Luxembourg, Grand-Duché de Luxembourg. Il pourra être transféré en tout autre endroit ou commune du Grand-Duché de Luxembourg par décision de l'Assemblée Générale délibérant comme en matière de modification des Statuts.

3.2 Le siège social peut être transféré à l'intérieur de la même commune par décision du Conseil d'Administration.

3.3 La Société peut avoir des bureaux et des succursales tant au Luxembourg qu'à l'étranger.

3.4 Lorsque le Conseil d'Administration détermine que des événements extraordinaires d'ordre politique, économique ou social de nature à compromettre l'activité normale de la Société à son siège social, ou la communication aisée entre le siège social et des Personnes à l'étranger, se sont produits ou sont imminents, il pourra transférer provisoirement le siège social à l'étranger jusqu'à cessation complète de ces circonstances anormales; ces mesures provisoires n'auront toutefois aucun effet sur la nationalité de la Société qui, nonobstant le transfert temporaire de son siège social, restera une société luxembourgeoise. Ces mesures temporaires seront prises et notifiées à toute partie intéressée par le Conseil d'Administration.

Art. 4. Objet social.

4.1 L'objet de la Société est de détenir des participations, sous quelque forme que ce soit, dans des sociétés luxembourgeoises et étrangères, ou dans toutes autres entités ou entreprises, l'acquisition par achat, souscription ou de toute autre manière, de même que le transfert par vente, échange ou de toute autre manière d'actions, d'obligations, de certificats de créance, de titres obligataires et d'autres valeurs mobilières ou droits de toutes espèces, y compris des intérêts dans des sociétés de personnes, ainsi que la détention, l'acquisition, la disposition, l'investissement de quelque manière que ce soit (dans) le développement, la licence ou sous-licence de tout brevet ou autre droit de propriété intellectuelle de toute nature ou origine, de même que la détention, l'administration, le développement et la gestion de son portefeuille. La Société peut exercer ses activités par l'intermédiaire de succursales à Luxembourg ou à l'étranger.

4.2 La Société peut également mener ou s'engager de quelque manière que ce soit, directement ou indirectement, dans des activités relatives aux télécommunications par satellite ou à d'autres télécommunications ou communications au sens large, y compris et ce, de manière non limitative, la propriété et/ou l'exploitation de satellites, téléports, tout actif terrestre et toute activité liée ou connexe.

4.3 La Société peut emprunter sous toute forme et procéder par voie de placement privé ou public à l'émission d'actions, d'obligations, d'obligations convertibles et de certificats de créance ou de tout autre titre/valeur mobilière ou instrument qu'elle juge approprié.

4.4 D'une manière générale, la Société peut assister (par des prêts, avances, garanties, sûretés ou autrement) à des sociétés ou autres entreprises ou Personnes dans lesquelles la Société a un intérêt ou qui font partie du groupe de sociétés auquel appartient la Société ou toute autre entité ou Personne que la Société jugerait appropriée (y compris verticalement ou horizontalement), prendre toutes mesures de contrôle, de gestion, d'administration et/ou de supervision et effectuer toute opération qu'elle pourrait considérer utile à l'accomplissement et au développement de son objet social.

4.5 Enfin, la Société peut effectuer toute opération commerciale, technique, financière ou autre, liée directement ou indirectement à tous domaines, afin de faciliter l'accomplissement de son objet social.

Art. 5. Capital social.

5.1 La Société a un capital social émis d'un million trois cent soixante-deux mille trois cent trente-neuf dollars des États-Unis et soixante-dix-sept cents (1.362.339,77 USD) représenté par un total de cent trente-six millions deux cent trente-trois mille neuf cent soixante-dix-sept (136.233,977) Actions Ordinaires entièrement libérées, d'une valeur nominale d'un cent de dollar des États-Unis (0,01 USD) chacune, et assorties des droits et obligations prévus par les présents Statuts.

5.2 Le capital autorisé de la Société (y compris le capital social émis) est fixé à dix millions de Dollars des États-Unis (10.000.000 USD) représenté par un milliard (1.000.000.000) d'Actions de toute Classe, d'une valeur nominale d'un cent de

dollar américain (0,01 USD) chacune.

5.2.1 Le capital social autorisé mais non émis (et toute autorisation y relative accordée au Conseil d'Administration) sera valable pour une période se terminant le 21 juin 2023.

5.2.2 Le Conseil d'Administration, ou tout délégué dûment nommé par le Conseil d'Administration, pourra de temps à autre émettre des Actions de toute Classe (ou tout droit, valeur mobilières ou autre droit à des Actions de toute Classe) tel qu'il détermine dans les limites du capital social autorisé non émis en contrepartie d'apports en numéraire, d'apports en nature ou par voie d'incorporation de réserves disponibles ainsi que par la conversion d'Actions Préférentielles A en Actions Ordinaires ou comme dividendes ou autres distributions que ce soit en lieu et place de dividendes en espèces ou d'autres versements de distribution ou non aux moments et selon les termes et conditions, y compris le prix d'émission, et à toute personne y compris les employés ou les délégués à la gestion journalière) que le Conseil d'Administration ou son(s) délégué(s) pourra(ont) à sa ou leur discrétion, décider sans réserver de droits préférentiels de souscription ou droit de préemption aux Actionnaires existants de toute Classe (y compris par voie d'incorporation de réserves). L'Assemblée Générale a renoncé à et a supprimé et a autorisé le Conseil d'Administration à renoncer à, supprimer ou limiter tout droit préférentiel de souscription ou droit de préemption des Actionnaires dans la mesure où le Conseil estime que cette renonciation, suppression ou limitation est souhaitable pour l'(les) émission(s) d'Actions de toute Classe (ou tout droit, valeur mobilières ou autre droit à des Actions de toute Classe) dans les limites du capital social autorisé non émis. Lors d'une émission d'Actions dans les limites du capital social autorisé, le Conseil d'Administration devra faire modifier les présents Statuts en conséquence. Les Actions peuvent être émises dans n'importe quelle Classe sans devoir respecter une quelconque proportion entre les classes (à condition que les Actions Préférentielles A ne représentent pas plus de 50% du capital social émis à tout moment).

5.3 Le capital social émis et/ou le capital autorisé non émis de la Société peut être augmenté, réduit, modifié ou étendu une ou plusieurs fois par décision de l'Assemblée Générale des Actionnaires adoptée conformément aux règles de quorum et de majorité prévues par les présents Statuts ou, le cas échéant, par la loi pour toute modification des présents Statuts.

5.4 La Société ne peut pas émettre de fractions d'Actions et aucune fraction d'Actions ne pourra exister à aucun moment. Le Conseil d'Administration est toutefois autorisé, à sa discrétion, à procéder à des paiements en espèces ou à émettre des certificats en remplacement de fraction d'Action.

5.5 La Société ou ses filiales pourront acheter ou racheter les Actions de la Société et pourront détenir des Actions propres en trésorerie, chaque fois dans les limites prévues par la loi.

5.6 Toute prime d'émission ou autre apport en capital (capitaux propres) ou autre compte de réserve disponible sera librement distribuable conformément aux dispositions des présents Statuts.

Art. 6. Titres sous forme nominative uniquement.

6.1 Actions

6.1.1 Les Actions de la Société existent uniquement sous forme nominative.

6.1.2 Un registre des Actions sera tenu par la Société. La propriété des Actions nominatives sera établie par inscription dans ledit registre ou, si des agents de registre distincts ont été nommés en vertu de l'Article 6.1.3, dans ledit registre distinct. Sans préjudice des conditions de transfert par inscription en compte tel que prévu à l'Article 6.1.7 ou, le cas échéant par, la loi applicable, et sous réserve des dispositions de l'Article 8, un transfert d'Actions nominatives se fera au moyen d'une déclaration de transfert inscrite dans le registre approprié, datée et signée par le cédant et le cessionnaire ou par leurs représentants dûment autorisés pour agir à cet effet. La Société pourra accepter et inscrire dans le registre approprié un transfert qui sera basé sur une correspondance ou tout autre document établissant l'accord du cédant et du cessionnaire.

6.1.3 La Société peut nommer des agents de registre dans différentes juridictions qui tiendront chacun un registre séparé pour les Actions nominatives y inscrites et les détenteurs d'Actions pourront choisir d'être inscrits dans l'un des registres et d'être transférés de temps à autre d'un registre à un autre. Le Conseil d'Administration peut toutefois imposer des restrictions de

transfert pour les Actions inscrites, listées, cotées, échangées en bourse ou ont été placées dans certaines juridictions conformément aux exigences applicables dans ces juridictions. Le transfert vers le registre tenu au siège social de la Société peut toujours être demandé.

6.1.4 Sous réserve des dispositions de l'Article 6.1.7 et de l'Article 8, la Société peut considérer la Personne au nom de laquelle les Actions nominatives sont inscrites dans le(s) registre(s) des Actionnaires comme étant le plein et unique propriétaire desdites Actions nominatives. La Société n'encourra aucune responsabilité envers les tiers lorsqu'elle traitera avec de telles Actions nominatives, et sera en droit de considérer comme inexistant tout droit, intérêt ou revendication de ces tiers en rapport avec ces Actions nominatives, sous réserve toutefois de tout droit que pourrait avoir ce tiers de demander l'inscription ou la modification de l'inscription d'Actions nominatives.

Dans le cas où un détenteur d'Actions nominatives ne fournit pas d'adresse à laquelle toutes les notifications et annonces de la Société pourront être envoyés, la Société pourra permettre l'inscription d'une mention à cet effet dans le(s) registre(s) des Actionnaires et l'adresse de ce détenteur sera considérée comme étant au siège social de la Société ou toute autre adresse que la Société pourra inscrire de temps à autre jusqu'à ce que ce détenteur ait fourni une adresse différente à la Société. Le détenteur peut, à tout moment, changer son adresse telle qu'elle figure dans le(s) registre(s) des Actionnaires au moyen d'une notification écrite à envoyer à la Société ou à l'agent de registre adéquat.

6.1.5 Le Conseil d'Administration peut décider qu'aucune inscription ne pourra être faite dans le(s) registre(s) des Actionnaires et qu'aucune notification de transfert ne sera reconnue par la Société ou un agent de registre pendant la période qui commencera le cinquième (5) jour ouvrable avant la date d'une Assemblée Générale et se terminera à la clôture de cette Assemblée Générale, sauf si le Conseil d'Administration fixe un délai plus court ou si la loi l'exige autrement.

6.1.6 Toutes les communications et notifications devant être envoyées à un Actionnaire nominatif seront considérées comme étant valablement réalisées lorsqu'elles auront été envoyées à la dernière adresse communiquée par l'Actionnaire à la Société.

6.1.7 Lorsque des Actions sont inscrites dans le(s) registre(s) des Actionnaires pour le compte d'une ou plusieurs Personnes au nom d'un système de compensation des titres ou de l'opérateur d'un tel système ou au nom d'un dépositaire de titres professionnel ou de tout autre dépositaire (ces systèmes, professionnels ou autres dépositaires étant désignés ci-après les «Dépositaires») ou d'un sous-dépositaire désigné par un ou plusieurs Dépositaires, la Société - sous réserve d'avoir reçu du Dépositaire auprès duquel les Actions sont déposées en compte un certificat ou une confirmation en bonne et due forme - permettra à ces Personnes d'exercer les droits attachés à ces Actions, y compris le droit d'assister et de voter aux Assemblées Générales (dans la mesure où les Actions concernées sont assorties de droits de vote). Le Conseil d'Administration peut décider de la forme que ces certificats devront revêtir. Nonobstant ce qui précède, la Société pourra effectuer des paiements de dividendes ou tout autre paiement en espèces, Actions ou autres titres au Dépositaire ou sous-dépositaire inscrit dans le(s) registres(s) ou conformément à ses instructions, et auquel cas ce paiement libérera la Société de toute obligation.

6.1.8 Les Actions sont indivisibles à l'égard de la Société qui ne reconnaîtra qu'un seul détenteur par Action. Lorsqu'une Action est détenue par plus d'une Personne, les Personnes qui prétendent être propriétaires de ladite Action devront désigner un seul mandataire pour représenter l'Action à l'égard de la Société. La Société a le droit de suspendre l'exercice de tous les droits attachés à cette Action jusqu'à ce qu'une seule Personne ait été ainsi désignée. La même règle s'appliquera en cas de conflit entre un usufruitier et un nu-proprétaire ou entre un créancier gagiste et un débiteur gagiste.

6.2 Autres Titres

6.2.1 Les Titres (autres que les Actions visées à l'Article 6.1) de la Société sont sous forme nominative uniquement.

6.2.2 Les dispositions de l'Article 6.1 s'appliquent mutatis mutandis.

Art. 7. Actions Préférentielles A.

7.1 Statut

7.1.1 Les Actions Préférentielles A sont des Actions préférentielles junior sans droits de vote et convertibles obligatoirement en actions ordinaires de la Société, assorties des termes et conditions telles qu'énoncées dans les Statuts.

7.1.2 Chaque Action Préférentielle A est identique à tous égards à toute autre Action Préférentielle A. Les Actions Préférentielles A, sous réserve des dispositions des présentes ont (i) un rang supérieur à toutes les Actions de Second Rang, (ii) le même rang que celui de toutes les Actions de Même Rang et (iii) un rang inférieur à toutes les Actions de Premier Rang et l'endettement présent et futur de la Société, en ce qui concerne leur Dividende Préférentiel ou droit de distribution ou droits en cas de liquidation ou de dissolution de la Société (tel que mentionné à l'Article 7.4).

7.1.3 Les Actions Préférentielles A n'auront aucun autre droit, préférence, privilège ou droit de vote ou droit relatif, droits de participation, droits optionnels ou autres droits spéciaux, ou qualifications, limitations ou restrictions de ceux-ci, que ceux énoncés dans les présents Statuts ou prévus par la loi obligatoirement applicable.

7.1.4 Afin d'éviter tout doute, il est précisé que les Actions Préférentielles A ne seront soumises à aucune disposition de fond d'amortissement ou de rachat ou autres dispositions similaires.

7.2 Sans Droit de Vote

7.2.1 Les Actionnaires Préférentiels A n'ont aucun droit de vote en ce qui concerne leurs Actions Préférentielles A sauf disposition contraire des présentes ou autrement exigé de temps à autre par la Loi sur les Sociétés de manière obligatoire.

7.2.2 Les Actionnaires Préférentiels A disposent d'un droit de vote à toute Assemblée Générale appelée à se prononcer sur les points suivants:

7.2.2.1 l'émission de nouvelles actions jouissant de droits préférentiels;

7.2.2.2 la détermination du dividende préférentiel cumulatif attaché aux actions sans droit de vote;

7.2.2.3 la conversion d'Actions préférentielles sans droit de vote en Actions Ordinaires;

7.2.2.4 la réduction du capital social de la Société;

7.2.2.5 la modification de l'objet social de la Société;

7.2.2.6 l'émission d'obligations convertibles;

7.2.2.7 la dissolution anticipée de la Société;

7.2.2.8 la transformation de la Société en une société d'une autre forme juridique;

7.2.3 Les Actions Préférentielles A donnent en plus aux Actionnaires Préférentiels A le droit de voter sur les sujets et selon les conditions énoncées à l'Article 20.2.

7.2.4 Les Actionnaires Préférentiels A ont également conformément à la Loi sur les Sociétés les mêmes droits de vote que les détenteurs d'Actions Ordinaires à toutes assemblées, lorsque, malgré l'existence de bénéfices nets disponibles à cet effet, les Dividendes Préférentiels (cumulatifs) n'ont pas été entièrement payés, pour quelque cause que ce soit, pendant deux exercices comptables successifs (un «Non-paiement») et ce, jusqu'au moment où tous les Dividendes Préférentiels (cumulatifs) auront été intégralement payés.

7.2.5 Hormis le cas où les Actions Préférentielles A ont un droit de vote, il ne sera pas tenu compte des Actions Préférentielles A pour la détermination des conditions de quorum et de majorité à observer aux Assemblées Générales, auquel cas toute référence aux Actions et aux Actionnaires ne s'entendra, afin d'éviter tout doute, que comme faite aux Actions Ordinaires ou aux détenteurs d'Actions Ordinaires.

7.3 Dividendes Préférentiels

7.3.1 Taux

Sous réserve des droits des détenteurs de toute classe ou série d'Actions ayant un rang supérieur aux Actions Préférentielles A en ce qui concerne les dividendes ou autres distributions, les Actionnaires Préférentiels A auront le droit de recevoir, lorsque, tel que et si déclaré par l'Assemblée Générale ou en cas de dividendes intermédiaires, par le Conseil d'Administration, à partir des bénéfices ou réserves de la Société légalement disponibles à cet effet, un dividende cumulatif au

taux annuel de cinq virgule soixante-quinze pourcent (5,75%) par an sur la Préférence de Liquidation par Action Préférentielle A (le «Taux de Dividende») (équivalent à deux virgule huit sept cinq dollars américains (2,875USD) par année par Action Préférentielle A) (le «Dividende Préférentiel»).

Sauf disposition contraire des présentes, les Dividendes Préférentiels sur les Actions Préférentielles A converties en Actions Ordinaires cesseront de s'accumuler à la Date de Conversion Obligatoire, la Date de Conversion de l'Acquisition en Espèces ou la Date de Conversion Anticipée (chacune, une «Date de Conversion»), selon le cas. Les Actionnaires Préférentiels A n'auront pas le droit de recevoir de dividendes ou autres distributions (autres que la Préférence de Liquidation en cas de liquidation) sur les Actions Préférentielles A, qu'ils soient payables en espèces, actifs ou Actions Ordinaires, au-delà de l'entièreté du Dividende Préférentiel.

7.3.2 Les Dividendes Préférentiels sur les Actions Préférentielles A peuvent être déclarés annuellement, semestriellement (le cas échéant avec versements échelonnés) ou trimestriellement par l'Assemblée Générale ou en tant que dividendes intérimaires par le Conseil d'Administration si, et dans la mesure où ils ont été déclarés, seront payables trimestriellement (le cas échéant, par versements échelonnés) à chaque Date de Paiement de Dividendes au Taux de Dividende. Le droit aux Dividendes Préférentiels pour une Période de Dividendes est calculé à compter du jour immédiatement suivant le dernier jour de la Période de Dividendes précédente ou en l'absence de Période de Dividendes précédente à partir de la Date d'Émission Préférentielle A, peu importe qu'il y ait eu ou non des bénéfices ou d'autres réserves légalement disponibles pour la déclaration et le paiement de ces Dividendes Préférentiels pendant une ou plusieurs Périodes de Dividendes. Les Dividendes Préférentiels déclarés seront payables (le cas échéant, par versements échelonnés) à la Date de Paiement de Dividendes concernée aux Porteurs d'Inscription Préférentielles A à la date précédant immédiatement la Date d'Inscription Préférentielle A, que les Porteurs d'Inscriptions Préférentielles A aient ou non converti leurs Actions Préférentielles A, ou que ces Actions Préférentielles A soient converties automatiquement, après une Date d'Inscription Préférentielle A et au jour ou avant la date suivant immédiatement la Date de Paiement du Dividende. Si une Date de Paiement du Dividende n'est pas un Jour Ouvrable, le paiement sera fait le Jour Ouvrable suivant, sans aucun intérêt, ou autre paiement en lieu et place d'un intérêt qui aurait accru pendant ce délai.

Le montant de Dividendes Préférentiels sur chaque Action Préférentielle A pour chaque Période de Dividende complète sera calculé en divisant le Taux de Dividende par quatre. Les Dividendes Préférentiels sur les Actions Préférentielles A pour toute période autre qu'une Période de Dividende complète seront calculés sur base du nombre de jours écoulés pendant la période sur une année de 360 jours (consistant en douze mois de 30 jours). Les Dividendes Préférentiels accumulés ne porteront pas d'intérêts s'ils sont payés après la Date de Paiement de Dividendes applicable.

Aucun Dividende Préférentiel ne sera déclaré ou payé, ou aucune somme en espèces ou nombre d'Actions Ordinaires réservées pour le paiement de Dividendes Préférentiels, par rapport aux Actions Préférentielles A en circulation par rapport à toute Période de Dividende, à moins que tous les Dividendes Préférentiels pour toutes les Périodes de Dividendes précédentes ont été déclarés et payés, ou si une somme en espèces suffisante ou un nombre suffisant d'Actions Ordinaires ont été réservées pour le paiement de tels Dividendes Préférentiels, sur toutes les Actions Préférentielles A en circulation.

7.3.3 Priorité des Dividendes Préférentiels

7.3.3.1 Tant que des Actions Préférentielles A seront en circulation, aucun dividende ou distribution ne pourra être déclaré ou payé sur les Actions Ordinaires ou toute autre Action de Second Rang, et aucune Action Ordinaire ou Action de Second Rang ne pourra, directement ou indirectement, être achetée, rachetée ou acquise par d'autres moyens moyennant contrepartie de la Société, ou n'importe laquelle de ses filiales, sauf si tous les Dividendes Préférentiels accumulés pour toutes les Périodes de Dividendes précédentes ont été déclarés et payés, ou si un montant suffisant ou un nombre d'Actions Ordinaires suffisant ont été réservées pour le paiement desdits Dividendes Préférentiels, sur toutes les Actions Préférentielles A en circulation.

7.3.3.2 Les limitations énoncées ci-dessus ne s'appliqueront pas à (i) tout dividende ou distribution payable sur toute Action de Second Rang en toute autre Action de Second Rang, ou pour l'acquisition d'Actions de Second Rang en échange de, ou par l'utilisation des produits provenant de la vente, de toutes autres Actions de Second Rang; (ii) rachats, achats ou autres acquisitions d'Actions Ordinaires ou autre Action de Second Rang en relation avec la gestion de tout programme de motivation ou autre plan d'intéressement dans le cadre au cours normal des affaires (en ce compris les rachats pour compenser un Montant de Dilution des Actions en vertu d'un programme de rachat annoncé publiquement); à condition que tout achat à fin de compensation du Montant de Dilution des Actions ne pourra en aucun cas excéder le Montant de Dilution des Actions; (iii) tous dividendes ou distributions de droits ou d'Actions de Second Rang en relation avec un plan de droit des actionnaires ou tout remboursement ou rachat de droits en vertu de tout plan de souscription d'actionnaires; (iv) l'acquisition par la Société ou une de ses filiales d'Actions de Second Rang dans l'intérêt économique de toute autre Personne (autre que la Société ou l'une de ses filiales), y compris en tant que fiduciaire (trustee) ou dépositaire (custodian); (v) l'échange ou la conversion d'Actions de Second Rang pour ou en d'autres Actions de Second Rang (ayant un montant de liquidation total égal ou inférieur), et (vi) tout rachat, remboursement ou achat de toute manière que ce soit, en en application de l'Article 8 (Limitations de propriété - Lois sur les Communications).

7.3.3.3 Lorsque des Dividendes Préférentiels ne sont pas payés (ou déclarés et une somme en espèces ou un nombre suffisant d'Actions Ordinaires pour le paiement de ceux-ci mis de côté au profit des Actionnaires Préférentiels A à la Date d'Inscription applicable), à toute Date de Paiement de Dividendes dans leur entièreté sur les Actions Préférentielles A, tous Dividendes Préférentiels déclarés sur les Actions Préférentielles A et tous dividendes sur toutes les Actions de Même Rang devront être déclarés de manière à ce que les montants respectifs de tels dividendes déclarés sur les Actions Préférentielles A et toute autre classe ou série d'Actions de Même Rang porte la même proportion les uns par rapport aux autres que tous les dividendes accumulés ou distributions par action sur les Actions Préférentielles A et lesdites classes ou séries d'Actions de Même Rang (à condition qu'ils aient été déclarés par l'Assemblée Générale ou le Conseil d'Administration à partir de bénéfices ou réserves légalement disponibles et comprenant tous les dividendes accumulés ou distributions ont les uns par rapports aux autres; à condition que tout Dividende Préférentiel non déclaré (et non payés) continuera de s'accumuler.

7.3.3.4 Sous réserve de ce qui précède, et pas autrement, de tels dividendes ou autres distributions (payables en espèces, titres ou autres actifs), tel qu'il pourra être déterminé par le Conseil d'Administration ou l'Assemblée Générale, peuvent être déclarés et payés sur tous titres, en ce compris les Actions Ordinaires et les autres Action de Second Rang, de temps en temps à partir de tous les bénéfices ou réserves légalement disponibles à cet effet, et les Actionnaires Préférentiels A n'auront pas le droit de participer auxdits dividendes ou distributions.

7.3.4 Méthode de Paiement de Dividendes Préférentiels

Les Dividendes Préférentiels peuvent être payés en espèces, par l'émission d'Actions Ordinaires ou par une combinaison d'espèces et d'Actions Ordinaires, tel que déterminé par la Société (sur décision du Conseil d'Administration) à sa seule discrétion (sous réserve des limitations décrites ci-dessous).

7.3.4.1 Sous réserve des limitations décrites ci-dessous, tout Dividende Préférentiel déclaré (ou toute portion de tout Dividende Préférentiel déclaré) sur les Actions Préférentielles A, se rapportant ou non à une Période de Dividende en cours ou à toute Période de Dividende précédente (y compris en relation avec le paiement de Dividendes Préférentiels déclarés et non payés dans la mesure où ceux-ci doivent être payés en vertu des Articles 7.5, 7.6 ou 7.7), peuvent être payés par la Société, tel que déterminé à l'entière discrétion de la Société: (i) en espèces; (ii) par livraison d'Actions Ordinaires; ou (iii) par une combinaison d'espèces et d'Actions Ordinaires.

7.3.4.2 Chaque paiement d'un Dividende Préférentiel déclaré sur les Actions Préférentielles A sera effectué en espèces, sauf si la Société décide de réaliser tout ou une partie de ce paiement en Actions Ordinaires. La Société peut prendre cette décision en avisant les Actionnaires Préférentiels A de ladite décision et des proportions dudit paiement qui doivent être faits en

espèces et en Actions Ordinaires, au plus tard le douzième (12e) Jour de Négociation précédant la Date de Paiement de Dividendes pour ce Dividende Préférentiel.

7.3.4.3 Les Actions Ordinaires émises en paiement ou paiement partiel d'un Dividende Préférentiel déclaré seront évaluées à cette fin à 97% du VWAP moyen par Action Ordinaire sur une période de dix (10) Jours de Négociation consécutifs se terminant le deuxième (2e) Jour de Négociation précédant immédiatement la Date de Paiement du Dividende (le «Cours Moyen»).

7.3.5 Aucune fraction d'Action Ordinaire ne sera délivrée aux Actionnaires Privilégiés A en paiement ou paiement partiel d'un Dividende Préférentiel. Un ajustement en espèces sera payé à chaque Actionnaire Préférentiel A qui aurait eu droit à une fraction d'Action Ordinaire sur base du VWAP moyen par Action Ordinaire sur la période de dix (10) Jours de Négociation consécutifs se terminant le deuxième (2e) Jour de Négociation précédant immédiatement la Date de Paiement de Dividendes.

7.3.6 Nonobstant ce qui précède, le nombre d'Actions Ordinaires délivrées en relation avec tout Dividende Préférentiel déclaré, en ce compris tout Dividende Préférentiel déclaré payable en relation avec une conversion, ne pourra en aucun cas excéder un nombre égal au paiement du Dividende Préférentiel total divisé par six dollars américains et trente cents (6,30 USD), sous réserve d'un ajustement d'une manière inversement proportionnelle à tout ajustement anti dilutif pour chaque Taux de Conversion Fixe, tel que prévu à l'Article 7.11, (un tel montant en dollars, tel que ajusté, le «Cours Plancher»). Pour autant que le montant du Dividende Préférentiel déclaré excède le produit du nombre d'Actions Ordinaires de livrées en paiement dudit Dividende Préférentiel déclaré et le Cours Moyen, la Société devra, si elle peut légalement le faire, payer un tel excédent en numéraire.

7.3.7 Pour autant que la Société détermine, de façon raisonnable, qu'un Document d'Enregistrement de Base (Shelf Registration Statement) est requis en relation avec l'émission de, ou la revente d'Actions Ordinaires émises en paiement d'un dividende, en ce compris les Dividendes Préférentiels payés dans le cadre d'une conversion, la Société, pour autant qu'un tel Document d'Enregistrement de Base n'est pas actuellement déposé et effectif, fera des efforts raisonnables afin de déposer et maintenir l'effectivité d'un tel Document d'Enregistrement de Base jusqu'au moment le plus tôt du moment où toutes les Actions Ordinaires sous celui-ci ont été revendues et du moment où toutes les Actions Ordinaires sont librement négociables sans enregistrement. Pour autant que ce soit applicable, la Société fera des efforts raisonnables afin que les Actions Ordinaires soient qualifiées ou enregistrées selon les modalités du droit des marchés financiers de l'état applicable, si nécessaire, et approuvées pour une cotation sur le New York Stock Exchange (ou si les Actions Ordinaires ne sont pas cotées sur le New York Stock Exchange, sur une bourse régionale ou nationale principale des Etats-Unis sur lequel les Actions Ordinaires sont alors cotées).

7.4 Droits des Actions Préférentielles A au moment de la Liquidation ou de la Dissolution

7.4.1 En cas de liquidation ou de dissolution, volontaire ou involontaire, de la Société, chaque Actionnaire Préférentiel A aura le droit de recevoir la Préférence de Liquidation par Action Préférentielle A détenue, plus un montant égal aux Dividendes Préférentiels accumulés sur lesdites Actions Préférentielles A jusqu'à (mais à l'exclusion de) la date fixée pour (l'ouverture de) la liquidation, ou la dissolution, qui sera payée à partir des actifs de la Société disponibles pour distribution à ses Actionnaires, après paiement des passifs dus aux créanciers de la Société et aux détenteurs de toute Action de Premier Rang et avant tout paiement ou distribution sur toute Action de Second Rang, en ce compris, mais sans limitation, les Actions Ordinaires.

7.4.2 Ni la vente (en numéraire, actions, titres ou autres contreparties) de tous ou substantiellement tous les actifs ou activités commerciales de la Société (autres que dans le cadre d'une liquidation ou dissolution de ses activités commerciales), ni la fusion ou la consolidation de la Société dans ou avec une autre Personne, ne sera considérée comme étant une liquidation ou une dissolution, volontaire ou involontaire pour les besoins de cet Article.

7.4.3 Si, à l'occasion de la liquidation ou dissolution volontaire ou involontaire de la Société, les montants payables en tant que Préférences de Liquidation, plus un montant égal aux Dividendes Préférentiels accumulés (et non déclarés et impayés) sur

les Actions Préférentielles A et toutes les Actions de Même Rang ne sont pas intégralement payés, les Actionnaires Préférentiels A et tous les détenteurs de toute Action de Même Rang se partageront également et proportionnellement toute distribution des actifs de la Société proportionnellement à la préférence de liquidation et un montant égal aux dividendes accumulés (et non déclarés et impayés) auxquels de tels détenteurs ont droit.

7.4.4 Après le paiement aux Actionnaires Préférentiels A de l'entièreté des montants préférentiels prévus dans cet Article 7.4, les Actionnaires Préférentiels A n'auront aucun droit ou créance sur les actifs restants de la Société.

7.5 Conversion Obligatoire à la Date de Conversion Obligatoire

7.5.1 Chaque Action Préférentielle A sera convertie automatiquement (sauf si elle a été convertie préalablement à l'initiative de l'Actionnaire Préférentiel A conformément à l'Article 7.6, ou en vertu de l'exercice d'un droit de Conversion en cas d'Acquisition en Espèces en vertu de l'Article 7.7) à la Date de Conversion Obligatoire («Conversion Obligatoire») en un nombre d'Actions Ordinaires égal au Taux de Conversion Obligatoire.

7.5.2 Le Taux de Conversion Obligatoire sera déterminé comme suit:

7.5.2.1 si la Valeur de Marché Applicable est supérieure à vingt-deux dollars américains et cinq cents (22,05 USD) (le «Prix Seuil d'Appréciation»), alors le Taux de Conversion Obligatoire sera égal à deux virgule deux six sept six (2,2676) Actions Ordinaires par Action Préférentielle A (le «Taux de Conversion Minimum»);

7.5.2.2 si la Valeur de Marché Applicable est inférieure ou égale au Prix Seuil d'Appréciation, mais égale ou supérieure à dix-huit dollars américains (18,00 USD) (le «Prix Initial»), alors le Taux de Conversion Obligatoire par Action Préférentielle A sera égal à la Préférence de Liquidation divisée par la Valeur de Marché Applicable; ou

7.5.2.3 si la Valeur de Marché Applicable est inférieure au Prix Initial, alors le Taux de Conversion Obligatoire sera égal à deux virgule sept sept sept huit (2,7778) Actions Ordinaires par Action Préférentielle A (le «Taux de Conversion Maximum»).

7.5.3 Les Taux de Conversion Fixes, le Prix Seuil d'Appréciation, le Prix Initial et la Valeur de Marché Applicable sont chacun sujets à ajustement conformément aux dispositions de l'Article 7.11.

7.5.4 Si la Société déclare un Dividende Préférentiel pour la Période de Dividende se terminant à la Date de Conversion Obligatoire, la Société devra payer un tel Dividende Préférentiel aux Porteurs d'Inscriptions Préférentielles à la date précédant immédiatement la Date d'Inscription Préférentielle A, conformément aux dispositions de l'Article 7.3.

Si avant la Date de Conversion Obligatoire, la Société n'a pas déclaré tout ou partie des Dividendes Préférentiels accumulés sur les Actions Préférentielles A, le Taux de Conversion Obligatoire sera ajusté de manière à ce que les Actionnaires Préférentiels A reçoivent un nombre d'Actions Ordinaires supplémentaires égal au montant des Dividendes Préférentiels accumulés qui n'ont pas été déclarés («Montant Additionnel de Conversion Obligatoire»), divisé par la valeur la plus élevée entre le Cours Plancher et la Valeur de Marché Applicable. Dans la mesure où le Montant Additionnel de Conversion Obligatoire excède le produit dudit nombre d'Actions Ordinaires additionnelles et la Valeur de Marché Applicable, la Société devra, si la Société est légalement capable de le faire, déclarer et payer un tel montant excédentaire en espèces et de manière proportionnelle aux Actionnaires Préférentiels A.

7.6 Conversion Anticipée à l'Option du Porteur

7.6.1 En dehors de toute Période de Conversion en cas d'Acquisition en Espèces les Actionnaires Préférentiels A auront le droit de convertir leurs Actions Préférentielles A, en tout ou en partie (mais en aucun cas moins d'une Action Préférentielle A), à tout moment précédant la Date de Conversion Obligatoire («Conversion Anticipée»), en Actions Ordinaires au Taux de Conversion Minimum, sous réserve des ajustements décrits à l'Article 7.11 et au respect des procédures de conversion prévues à l'Article 7.8.

7.6.2 Si à toute Date de Conversion Anticipée, la Société n'a pas déclaré tout ou partie du Dividende Préférentiel accumulé pour toutes les Périodes de Dividendes échues avant une telle Date de Conversion Anticipée, le Taux de Conversion Minimum sera ajusté de manière à ce que l'Actionnaire Préférentiel A participant à la conversion reçoive un nombre supplémentaire

d'Actions Ordinaires égal au montant des Dividendes Préférentiels accumulés qui n'ont pas été déclarés, divisé par le montant le plus élevé entre le Cours Plancher et la moyenne des Cours de Clôture des Actions Ordinaires sur la période de quarante (40) Jours de Négociation consécutifs terminant le troisième (3^e) Jour de Négociation précédant immédiatement la date de Conversion Anticipée (une telle moyenne sera désignée ci-après comme «Valeur de Marché de Conversion Anticipée Applicable»). À l'exception de ce qui est décrit ci-dessus, à l'occasion d'une Conversion Anticipée de toute Action Préférentielle A, la Société ne devra pas faire de paiement ou d'attribution pour des Dividendes Préférentiels impayés sur ces Actions Préférentielles A.

7.7 Conversion en Cas d'Acquisition en Espèces

7.7.1 Si une Acquisition en Espèces a lieu le jour de, ou avant, la Date de Conversion Obligatoire, les Actionnaires Préférentiels A auront le droit de convertir leurs Actions Préférentielles A, entièrement ou en partie (mais en aucun cas moins d'une Action Préférentielle A) (un tel droit des Actionnaires Préférentiels A de convertir leurs Actions Préférentielles A en vertu de cet Article 7.7.1 étant la «Conversion en Cas d'Acquisition en Espèces») pendant une période (la «Période de Conversion en Cas d'Acquisition en Espèces»), qui commence à la date d'effectivité d'une telle Acquisition en Espèces (la «Date d'Effectivité») et se termine à 17 heures, heure de la Ville de New York, à la date qui tombera vingt (20) jours calendaires après la Date d'Effectivité (ou, si elle a lieu plus tôt, la Date de Conversion Obligatoire) en Actions Ordinaires au Taux de Conversion d'Acquisition en Espèces (tel qu'ajusté en vertu de l'Article 7.11).

7.7.2 Au plus tard le vingtième (20^e) jour calendaire avant la Date d'Effectivité anticipée de l'Acquisition en Espèces ou, si un tel préavis n'est pas réalisable, au plus tard le dixième (10^e) jour calendaire suivant immédiatement une telle Date d'Effectivité, la Société devra en aviser les Actionnaires Préférentiels A (la «Notification d'Acquisition en Espèces»). Un tel avis devra mentionner: (i) la Date d'Effectivité anticipée de l'Acquisition en Espèces; (ii) que les Actionnaires Préférentiels A auront le droit de réaliser une Conversion en Cas d'Acquisition en Espèces en relation avec une telle Acquisition en Espèces pendant la Période de Conversion en cas d'Acquisition en Espèces; (iii) la Période de Conversion en Cas d'Acquisition en Espèces; et (iv) les instructions qu'un Actionnaire Préférentiel A doit suivre en vue de réaliser une Conversion en Cas d'Acquisition en Espèces en relation avec une telle Acquisition en Espèces.

Si la Société notifie les Actionnaires Préférentiels A d'une Acquisition en Espèces après le vingtième (20^e) jour calendaire précédant la Date d'Effectivité d'une Acquisition en Espèces, la Période de Conversion en Cas d'Acquisition en Espèces sera étendue d'un nombre de jours égal au nombre de jours à partir et incluant le vingtième (20^e) jour calendrier précédant la Date d'Effectivité de l'Acquisition en Espèces jusqu'à, mais excluant, la date d'une telle notification, pour autant que la Période de Conversion en Cas d'Acquisition en Espèces ne soit pas étendue au-delà de la Date de Conversion Obligatoire.

Cette notification pourra être faite par la Société conformément à l'Article 7.12.

7.7.3 Au plus tard le deuxième Jour Ouvrable suivant la Date d'Effectivité, ou, si elle est postérieure, la date à laquelle la Société notifié aux Actionnaires Préférentiels A la Date d'Effectivité de l'Acquisition en Espèces, la Société devra notifier les Actionnaires Préférentiels A de: (i) du Taux de Conversion d'Acquisition en Espèces; (ii) du Montant Agrégé de Dividendes en cas d'Acquisition en Espèces et si la Société paiera un tel montant en espèces, Actions Ordinaires ou une combinaison de ceux-ci (et dans ce cas, devra spécifier la combinaison, si applicable); et (iii) du montant des Dividendes Préférentiels accumulés et non déclarés à la Date d'Effectivité et si la Société devra payer ces montants par un ajustement du Taux de Conversion d'Acquisition en Espèces, un paiement en espèces ou une combinaison de ceux-ci (et dans ce cas, devra spécifier la combinaison, si applicable). Cette notification pourra être faite par la Société conformément à l'Article 7.12.

7.7.4 A l'occasion de toute conversion en vertu de l'Article 7.7.1, en sus de l'émission aux Actionnaires Préférentiels A participant à la conversion, du nombre d'Actions Ordinaires au Taux de Conversion d'Acquisition en Espèces, la Société devra:

7.7.4.1 soit (x) payer aux Actionnaires Préférentiels A participant à la conversion en espèces, dans la mesure où la Société est légalement capable de le faire, la valeur actuelle, calculée en utilisant un taux de ristourne de cinq virgule soixante-quinze

pourcent (5,75%) par année, de tout montant de Dividende Préférentiel sur les Actions Préférentielles A soumises à la Conversion en Cas d'Acquisition en Espèces pour toute Période de Dividende restante (à l'exception de tout Dividende Préférentiel accumulé à la Date d'Effectivité) à partir de ladite Date d'Effectivité jusqu'à, mais à l'exclusion de, la Date de Conversion Obligatoire (le «Montant Agrégé de Dividende d'Acquisition en Espèces»); ou (y) augmenter le nombre d'Actions Ordinaires qui devront être émises lors de la conversion par un nombre égal (A) au Montant Agrégé de Dividende d'Acquisition en Espèces divisé par (B) le montant le plus élevé entre le Cours Plancher et le Cours de l'Action; et

7.7.4.2 pour autant que, à la Date d'Effectivité, la Société n'a pas déclaré tout ou partie du Dividende Préférentiel accumulé sur les Actions Préférentielles A à une telle Date d'Effectivité, le Taux de Conversion d'Acquisition en Espèces devra être encore ajusté de manière à ce que les Actionnaires Préférentiels A participant à la conversion reçoivent un nombre supplémentaires d'Actions Ordinaires égal au montant de tels Dividendes Préférentiels accumulés (le «Montant de Conversion Additionnel en cas d'Acquisition en Espèces»), divisé par le montant le plus élevé entre le Cours Plancher et le Cours de l'Action. Dans la mesure où le Montant de Conversion Additionnel en cas d'Acquisition en Espèces excède le produit du nombre d'Actions Ordinaires additionnelles et le Cour de l'Action, la Société devra, si elle est légalement autorisée à le faire, déclarer et payer un tel montant excédentaire en espèces; et

7.7.4.3 si la Date d'Effectivité tombe pendant une Période de Dividende pour laquelle la Société a déclaré un Dividende Préférentiel, la Société devra payer un tel Dividende Préférentiel à la Date de Paiement du Dividende adéquate, aux Actionnaires Préférentiels A à la Date d'Inscription Préférentielle A précédant immédiatement, conformément à l'Article 7.3.

7.8 Procédures de Conversion

7.8.1 En vertu de l'Article 7.5, à la Date de Conversion Obligatoire, toutes Actions Préférentielles A en circulation seront automatiquement converties en Actions Ordinaires. La Personne ou les Personnes qui auront le droit de recevoir des Actions Ordinaires pouvant être émises en cas de conversion obligatoire des Actions Préférentielles A seront traitées comme les détenteurs d'inscriptions de telles Actions Ordinaires à partir de 17 heures, heure de la Ville de New York, à la Date de Conversion Obligatoire. Sous réserve des dispositions de l'Article 7.11.3.3, avant 17 heures, heure de la Ville de New York, à la Date de Conversion Obligatoire, les Actions Ordinaires potentiellement à émettre en cas de conversion d'Actions Préférentielles A ne seront pas émis et en circulation à aucune fin et les Actionnaires Préférentiels A n'auront aucun droit sur de telles Actions Ordinaires, y compris en ce qui concerne les droits de vote, droits de répondre à des offres d'achat et droits de recevoir dividendes ou autres distributions sur les Actions Ordinaires en vertu de la détention d'Actions Préférentielles A.

7.8.2 Pour donner effet à une Conversion Anticipée en vertu de l'Article 7.6, un Actionnaire Préférentiel A doit fournir à la DTC le formulaire d'instructions approprié pour la conversion en vertu du programme de conversion de DTC et, si nécessaire, payer tous frais ou taxes de transfert ou similaires, le cas échéant.

La Conversion Anticipée sera effective à la date à laquelle un Actionnaire Préférentiel A aura satisfait aux conditions énumérées ci-dessus, pour autant qu'elles soient applicables («Date de Conversion Anticipée»). Un Actionnaire Préférentiel A ne devra payer aucun frais ou taxe de transfert ou similaire s'appliquant à l'émission ou la délivrance d'Actions Ordinaires si cet Actionnaire Préférentiel A exerce ses droits de conversion, mais un tel Actionnaire Préférentiel A devra payer tous frais ou taxe de transfert ou similaire qui pourrait être payable en relation avec tout transfert impliqué dans l'émission ou la délivrance d'Actions Ordinaires à un nom autre que celui dudit Actionnaire Préférentiel A. Les Actions Ordinaires ne seront émises et livrées qu'après que toutes les taxes ou frais, le cas échéant, payables par l'Actionnaire Préférentiel A, aient été intégralement payées et seront émises, ainsi que tout montant en espèces auquel l'Actionnaire Préférentiel A participant à la conversion a droit, le dernier jour en date des jours suivants: le troisième (3^e) Jour Ouvrable immédiatement suivant la Date de Conversion Anticipée et le Jour Ouvrable suivant le paiement intégral de la totalité des taxes et frais, le cas échéant, par l'Actionnaire Préférentiel A.

La Personne ou les Personnes qui auront le droit de recevoir les Actions Ordinaires pouvant être émises au moment de la Conversion Anticipée sera (ont) traité(s) à toutes fins comme détenteur(s) de l'inscription desdites Actions Ordinaires à partir de 17 heures, heure de la Ville de New York, à la Date de Conversion Anticipée applicable. Aucune attribution ou ajustement, sauf ce qui est prévu à l'Article 7.11.3.3, ne sera fait en relation avec les dividendes ou distributions payables aux détenteurs d'inscriptions d'Actions Ordinaires inscrits à toute date précédant une telle Date de Conversion Anticipée applicable. Avant une telle Date de Conversion Anticipée applicable, les Actions Ordinaires potentiellement à émettre en cas de conversion de toute Action Préférentielle A ne seront pas émises et en circulation à aucune fin, et les Actionnaires Préférentiels A n'auront aucun droit sur ces Actions Ordinaires (en ce compris les droits de vote, droits de répondre à des offres d'achat pour les Actions Ordinaires et le droit de recevoir tout dividende ou autre distribution sur les Actions Ordinaires) en vertu de la détention des Actions Préférentielles A. Dans le cas où une Conversion Anticipée est réalisée pour des Actions Préférentielles A représentant moins que la totalité des Actions Préférentielles A détenues par un Actionnaire Préférentiel A, les inscriptions dans le registre devront être modifiées en conséquence lors d'une telle Conversion Anticipée.

7.8.3 Afin de donner effet à une Conversion en cas d'Acquisition en Espèces en vertu de l'Article 7.7, un Actionnaire Préférentiel A devra, pendant la Période de Conversion en cas d'Acquisition en Espèces, fournir à la DTC le formulaire d'instructions approprié pour la conversion en vertu du programme de conversion de la DTC, et, si nécessaire, payer tout droit ou taxe de transfert ou similaire, le cas échéant.

La Conversion en cas d'Acquisition en Espèces sera effective à la date à laquelle un Actionnaire Préférentiel A aura satisfait aux conditions énumérées précédemment, pour autant qu'elles soient applicables (la «Date de Conversion en cas d'Acquisition en Espèces»). Un Actionnaire Préférentiel A n'aura à payer aucun droit ou taxe de transfert ou similaire pouvant être due en relation avec l'émission ou la livraison d'Actions Ordinaires si un tel Actionnaire Préférentiel A exerce ses droits de conversion, mais un tel Actionnaire Préférentiel A devra payer tout droit ou taxe de transfert ou similaire qui serait due en relation avec tout transfert impliqué dans l'émission ou la livraison d'Actions Ordinaires à un nom autre que celui d'un tel Actionnaire Préférentiel A. Les Actions Ordinaires sont émises et délivrées uniquement après que tout droit ou taxe, le cas échéant, payables par l'Actionnaire Préférentiel A, auront été entièrement payés et seront émises, avec tout montant en espèces auquel l'Actionnaire Préférentiel A participant à la conversion a droit, le dernier jour en date des jours suivants: le troisième (3^e) Jour Ouvrable suivant immédiatement la Date de Conversion en cas d'Acquisition en Espèces et le Jour Ouvrable suivant le jour où l'Actionnaire Préférentiel A a payé la totalité des droits et taxes applicables, le cas échéant. En vue d'éviter tout doute, les Actionnaires Préférentiels A qui n'auront pas soumis leur formulaire d'instruction pour la conversion pendant la Période de Conversion en cas d'Acquisition en Espèces n'auront pas le droit de convertir leurs Actions Préférentielles A au Taux de Conversion d'Acquisition en Espèces, ou de recevoir le Montant Agrégé de Dividende d'Acquisition en Espèces.

La Personne ou les Personnes qui auront le droit de recevoir des Actions Ordinaires pouvant être émises en cas d'une telle Conversion en cas d'Acquisition en Espèces sera(ont) traitée(s) à toutes fins comme les détenteurs d'inscriptions de telles Actions Ordinaires à partir de 17 heures, heure de la Ville de New York, à la Date de Conversion en cas d'Acquisition en Espèces applicable. Aucune allocation ou ajustement, sous réserve de ce qui figure à l'Article 7.11.3.3, ne sera faite en relation avec les dividendes ou distributions payables aux détenteurs d'Actions Ordinaires inscrits à toute date précédant une telle Date de Conversion en cas d'Acquisition en Espèces. Avant une telle Date de Conversion en cas d'Acquisition en Espèces applicable, les Actions Ordinaires potentiellement à émettre en cas de conversion de toute Action Préférentielle A ne seront pas considérées comme émises et en circulation à aucune fin, et les Actionnaires Préférentiels A n'auront aucun droit en relation avec ces Actions Ordinaires (en ce compris les droits de vote, droits de répondre à des offres d'achat pour les Actions Ordinaires et les droits de recevoir tous dividendes ou autres distributions sur les Actions Ordinaires en vertu de la détention d'Actions Préférentielles A).

Dans le cas où une Conversion en cas d'Acquisition en Espèces prend effet en relation avec des Actions Préférentielles A représentant moins que toutes les Actions Préférentielles A détenues par un Actionnaire Préférentiel A, les inscriptions dans le registre pertinent devront en cas d'une telle Conversion en cas d'Acquisition en Espèces être modifiées en conséquence.

7.8.4 Dans le cas où un Actionnaire Préférentiel A n'aura pas par notification écrite désigné le nom auquel les Actions Ordinaires qui devront être émises en cas de conversion de telles Actions Préférentielles A devront être inscrites, la Société aura le droit d'enregistrer de telles Actions, et de faire un tel paiement au nom de l'Actionnaire Préférentiel A tel qu'il figure dans les documents de la Société.

7.8.5 Les Actions Préférentielles A cesseront d'être en circulation à partir de la Date de Conversion applicable, sous réserve du droit de l'Actionnaire Préférentiel A en question de recevoir des Actions Ordinaires à émettre en cas de conversion de telles Actions Préférentielles A et d'autres montants et Actions Ordinaires, le cas échéant, auxquels ils ont droit en vertu des Articles 7.5, 7.6 ou 7.7, le cas échéant.

7.9 Réserve d'Actions Ordinaires

7.9.1 La Société devra de tout temps réserver et maintenir disponible, dans de ses Actions Ordinaires autorisées et non émises, ou ses Actions Ordinaires détenues en trésorerie par la Société, uniquement pour l'émission à la conversion d'Actions Préférentielles A tel que prévu dans les présentes, libres de tout droit de préemption ou autres droits similaires, le nombre maximum d'Actions Ordinaires qui pourront être émises de temps à autre à la conversion de toutes les Actions Préférentielles A alors en circulation. Pour les besoins de cet Article 7.9.1, le nombre d'Actions Ordinaires qui seront à délivrer à la conversion de toutes les Actions Préférentielles A sera calculé comme si, au moment d'un tel calcul, toutes ces Actions Préférentielles A alors en circulation étaient détenues par un seul Actionnaire Préférentiel A.

7.9.2 Nonobstant ce qui précède, la Société aura en cas de conversion d'Actions Préférentielles A tel qu'il est prévu dans les présentes le droit de délivrer des Actions Ordinaires réacquises et détenues dans le trésorerie de la Société (ou une filiale de la Société) (émission d'Actions Ordinaires autorisées mais non émises) tant que lesdites Actions Ordinaires détenues en trésorerie sont libres de tout lien, charge, sûreté (autres que des liens, charges, sûretés ou autres engagements créés par les Actionnaires Préférentiels A).

7.9.3 Toutes les Actions Ordinaires livrées en cas de conversion des Actions Préférentielles A devront être dûment autorisées, valablement émises, entièrement payées et non susceptibles d'appels de versement, libres de tout privilège, charges, sûretés et autres encombrements (autres que des privilèges, charges, sûretés et autres encombrements créés par les Actionnaires Préférentiels A).

7.9.4 Avant de délivrer tout titre que la Société est dans l'obligation de délivrer suite à la conversion d'Actions Préférentielles A, la Société fera des efforts raisonnables en vue de se conformer à toutes les lois fédérales et étatiques américaines ainsi qu'aux règlements y relatifs requérant l'enregistrement de tels titres, ou toute approbation ou autre consentement à une telle livraison par toute autorité gouvernementale.

7.9.5 Si à un moment les Actions Ordinaires devraient être cotées sur le New York Stock Exchange ou toute autre bourse nationale (des Etats Unis) ou tout autre système automatisé de cotation, la Société devra, si cela est autorisé par les règles d'une telle bourse ou système de cotation automatisé, coter et maintenir cotées tant que les Actions Ordinaires seront cotées sur une telle bourse ou système de cotation automatisé, toutes les Actions Ordinaires pouvant être émises à la conversion des Actions Préférentielles A; à condition, toutefois, que si les règles d'une telle bourse ou système de cotation automatisé autorisent la Société à retarder la cotation de telles Actions Ordinaires jusqu'à la première conversion d'Actions Préférentielles A en Actions Ordinaires conformément aux dispositions de celles-ci, la Société s'engage à coter ces Actions Ordinaires pouvant être émises lors de la première conversion d'Actions Préférentielles A, conformément aux exigences d'une telle bourse ou système automatisé de cotation.

7.10 Fractions d'Actions

7.10.1 Aucune fraction d'Action Ordinaire ne pourra être émise en résultat d'une conversion d'Actions Préférentielles A.

7.10.2 En lieu et place de toute fraction d'Action Ordinaire qui pourrait autrement être émise en cas de conversion obligatoire en vertu de l'Article 7.5, ou une conversion à l'initiative de l'Actionnaire Préférentiel A en vertu de l'Article 7.6 ou de l'Article 7.7, la Société devra payer un montant en espèces (calculé au centime le plus proche) égal au produit de (i) cette même fraction et (ii) la moyenne des Cours de Clôture de la période de cinq (5) Jours de Négociation consécutifs se terminant le deuxième Jour de Négociation précédant immédiatement la Date de Conversion Obligatoire, la Date de Conversion en cas d'Acquisition en Espèces ou la Date de Conversion Anticipée, le cas échéant.

7.10.3 Si plus qu'une action préférentielle A est remise aux fins de conversion à un moment donné par ou pour le même Actionnaire Préférentiel A, le nombre total d'Actions Ordinaires pouvant être émises lors de cette conversion sera calculé sur base du montant total d'Actions Préférentielles A ainsi remises.

7.11 Ajustements Anti-Dilution aux Taux de Conversion Fixes

7.11.1 Chaque Taux de Conversion Fixe sera soumis aux ajustements suivants:

7.11.1.1 Dividendes en Actions et Dividendes

Si la Société émet des Actions Ordinaires à tous les détenteurs d'Actions Ordinaires pour dividende ou autre distribution, chaque Taux de Conversion Fixe, effectif à 17 heures, heure de la Ville de New York, à la date fixée pour la détermination des détenteurs d'Actions Ordinaires qui ont le droit de recevoir un tel dividende ou autre distribution, sera divisé par une fraction:

(A) dont le numérateur est le nombre d'Actions Ordinaires en circulation à 17 heures, heure de la Ville de New York, à la date fixée pour une telle détermination, et

(B) dont le dénominateur est la somme du nombre d'Actions Ordinaires en circulation à 17 heures, heure de la Ville de New York, à la date fixée pour une telle détermination et le nombre total d'Actions Ordinaires constituant tel dividende ou autre distribution.

Tout ajustement fait en vertu de cet Article 7.11.1.1 sera effectif immédiatement après 17 heures, heure de la Ville de New York, à la date fixée pour une telle détermination. Si un dividende ou une distribution décrits dans cet Article 7.11.1.1 est déclaré mais n'est pas payé ou réalisé, chaque Taux de Conversion Fixe sera réajusté, avec effet à la date à laquelle le Conseil d'Administration annonce publiquement sa, ou, le cas échéant, la décision de l'Assemblée Générale de ne pas réaliser un tel dividende ou distribution, au Taux de Conversion Fixe qui aurait été effectif si un tel dividende ou distribution n'avait pas été déclaré. Pour les besoins de cet Article 7.11.1.1, le nombre d'Actions Ordinaires en circulation à 17 heures, heure de la Ville de New York, à la date fixée pour une telle détermination, ne comprendra pas les Actions Ordinaires propres détenues en trésorerie par la Société mais comprendra toutes Actions Ordinaires pouvant être émises en relation à tout certificat émis en lieu et place de fractions d'Actions Ordinaires. La Société ne paiera aucun dividende et ne fera aucune distribution sur les Actions Ordinaires propres détenues en trésorerie par la Société.

7.11.1.2 Émission de Droits d'Achat d'Actions

Si la Société émet à tous les détenteurs d'Actions Ordinaires des droits ou bons de souscription d'action (autres que les droits ou bons de souscription d'actions émis à la suite d'un plan de réinvestissement de dividendes ou un plan d'achat d'actions ou tout autre plan similaire), donnant droit à ces détenteurs, pour une période d'un maximum de quarante-cinq (45) jours calendaires à partir de la date d'émission desdits droits ou bons de souscription d'actions, de souscrire ou d'acheter des Actions Ordinaires à un prix par Action Ordinaire inférieur au Cours Boursier Actuel, chaque Taux de Conversion Fixe en effet à 17 heures, heure de la Ville de New York, à la date fixée pour la détermination des détenteurs d'Actions Ordinaires ayant le droit de recevoir lesdits droits ou bons de souscription d'actions, sera augmenté en multipliant ledit Taux de Conversion Fixe par une fraction dont:

(A) le numérateur est la somme du nombre d'Actions Ordinaires émises à 17 heures, heure de la Ville de New York, à la date fixée pour cette détermination et du nombre d'Actions Ordinaires pouvant être émises en vertu desdits droits ou bons de

souscription d'actions, et

(B) le dénominateur sera la somme du nombre d'Actions Ordinaires émises à 17 heures, heure de la Ville de New York, à la date fixée pour cette détermination et du nombre d'Actions Ordinaires égal au quotient du prix d'offre agrégé payable afin d'exercer lesdits droits ou bons de souscription d'actions et divisé par le Cours Boursier Actuel.

Tout ajustement fait en vertu du présent Article 7.11.1.2 deviendra effectif immédiatement après 17 heures, heure de la Ville de New York, à la date fixée pour cette détermination. Dans l'éventualité où lesdits droits ou bons de souscription d'actions décrits dans cet Article 7.11.1.2 ne seraient pas émis de la sorte, chaque Taux de Conversion Fixe sera réajusté avec effet à la date où le Conseil d'Administration annonce publiquement sa ou, le cas échéant, la décision de l'Assemblée Générale, de ne pas émettre lesdits droits ou bons de souscription d'actions au Taux de Conversion Fixe qui aurait été en vigueur à cette date si ladite émission n'avait pas été déclarée. Dans la mesure où lesdits droits ou bons de souscription d'actions ne sont pas exercés avant leur expiration ou les Actions Ordinaires ne sont pas autrement délivrées en vertu desdits droits ou bons de souscription d'actions lors de l'exercice desdits droits ou bons de souscription d'actions, chaque taux de Conversion Fixe sera réajusté au Taux de Conversion Fixe qui aurait été en vigueur si l'ajustement fait lors de l'émission desdits droits ou bons de souscription d'actions avait été fait sur la base de la livraison du seul nombre d'Actions Ordinaires effectivement délivrées. Afin de déterminer le prix d'offre agrégé payable afin d'exercer lesdits droits ou bons de souscription d'actions, devra être pris en compte toute contrepartie reçue pour ces droits ou bons de souscription d'actions et la valeur de cette contrepartie (si autre qu'en espèces, devant être déterminée par le Conseil d'Administration). Aux fins de cet Article 7.11.1.2, le nombre d'Actions Ordinaires émises à ce moment n'inclura pas les Actions détenues en trésorerie par la Société mais devra inclure toutes les Actions Ordinaires pouvant être émises en vertu de tout certificat émis en remplacement de fractions d'Actions Ordinaires. La Société n'émettra pas de tels droits ou bons de souscription d'actions attachés aux Actions Ordinaires propres détenues par la Société en trésorerie.

7.11.1.3 Sous-divisions et Combinaison des Actions Ordinaires

Si des Actions Ordinaires en circulation doivent être sous-divisées en un nombre supérieur d'Actions Ordinaires ou combinées en un nombre inférieur d'Actions Ordinaires, chaque Taux de Conversion Fixe effectif à 17 heures, heure de la Ville de New York, à la date effective de ladite sous-division ou combinaison, sera multiplié par une fraction:

(A) dont le numérateur est une fraction du nombre d'Actions Ordinaires qui seraient en circulation immédiatement après, et uniquement en conséquence de ladite sous-division ou combinaison, et

(B) dont le dénominateur est le nombre d'Actions Ordinaires en circulation immédiatement avant ladite sous-division ou combinaison.

Tout ajustement effectué en application de cet Article 7.11.1.3 deviendra effectif immédiatement après 17 heures, heure de la Ville de New York, le jour de la date effective de cette sous-division ou combinaison.

7.11.1.4 Dette ou Dividende en Nature

(A) Si la Société distribue à tous les détenteurs d'Actions Ordinaires des créances sur la Société, des Actions, des titres, droits d'acquisition du capital social de la Société, des espèces ou autres actifs (à l'exclusion de (1) toute distribution ou dividende visé à l'Article 7.11.1.1., (2) tous droits ou bons de souscription d'actions visés par l'Article 7.11.1.2, (3) toute distribution ou dividende visé à l'Article 7.11.5.1 et (4) tout Dividende de Scission pour lequel les dispositions énoncées à l'Article 7.11.1.4 (B) s'appliquent), chaque Taux de Conversion Fixe effectif à 17 heures, heure de la Ville de New York, à la date fixée pour la détermination des détenteurs d'Actions Ordinaires ayant le droit de recevoir ladite distribution, sera multiplié par une fraction:

(1) dont le numérateur est le Cours Boursier Actuel, et

(2) dont le dénominateur est le Cours Boursier Actuel, diminué de la Juste Valeur de Marché, à la date fixée pour la détermination, de la portion des créances sur la Société, Actions, sûretés, droits d'acquérir du capital social de la Société,

espèces ou autres actifs distribués de la sorte applicables à une Action Ordinaire.

(B) Dans le cas d'un Dividende de Scission, chaque Taux de Conversion Fixe effectif à 17 heures, heure de la Ville de New York à la date fixée pour la détermination des détenteurs d'Actions Ordinaires ayant droit de recevoir ladite distribution, sera multiplié par une fraction:

(1) dont le numérateur est la somme du (x) Cours Boursier Actuel des Actions Ordinaires et (y) de la Juste Valeur de Marché de la portion de ces Actions ou participations similaires distribuées de la sorte applicables à une Action Ordinaire au quinzième (15^e) Jour de Négociation après la date d'effet de cette distribution (ou, si lesdites Actions ou participations sont cotées auprès d'une bourse nationale ou régionale des Etats-Unis, le Cours Boursier Actuel desdits titres), et

(2) dont le dénominateur est le Cours Boursier Actuel des Actions Ordinaires.

Tout ajustement fait en vertu de cet Article 7.11.1.4 prendra effet immédiatement après 17 heures, heure de la Ville de New York, à la date fixée pour la détermination des détenteurs d'Actions Ordinaires ayant le droit de recevoir ladite distribution. Dans le cas où cette distribution, telle que décrite dans cet Article 7.11.1.4, n'est pas faite, chaque taux de Conversion Fixe sera réajusté, avec effet à la date où le Conseil d'Administration annonce publiquement sa ou, le cas échéant, la décision de l'Assemblée Générale, de ne pas effectuer ladite distribution, au Taux de Conversion Fixe qui aurait été effectif si cette distribution n'avait pas été déclarée. Si un ajustement à chaque Taux de Conversion Fixe est requis en vertu de cet Article 7.11.1.4 pendant toute période de règlement relative aux Actions Préférentielles A qui ont été livrées pour conversion, la livraison des Actions Ordinaires pouvant être émises lors de la conversion sera retardée dans la mesure nécessaire afin de finaliser les calculs prévus par cet Article 7.11.1.4.

7.11.1.5 Dividendes ou Distributions en Espèces

Si la Société distribue un montant exclusivement en espèces à tous les détenteurs d'Actions Ordinaires (à l'exclusion de (1) toute distribution en espèces effectuée lors d'un Évènement de Restructuration auquel l'Article 7.11.5 s'applique, (2) tout dividende ou distribution en connexion avec la dissolution ou liquidation de la Société ou (3) toute contrepartie payable dans le cadre d'une offre d'achat ou d'échange de la Société ou de toute filiale de la Société), chaque Taux de Conversion Fixe en vigueur à 17 heures, heure de la Ville de New York, à la date fixée pour la détermination des détenteurs d'Actions Ordinaires ayant droit de recevoir ladite distribution, sera multiplié par une fraction:

(1) dont le numérateur est le Cours Boursier Actuel, et

(2) dont le dénominateur est le Cours Boursier Actuel minoré du montant de ladite distribution par Action Ordinaire.

Chaque ajustement fait en vertu de cet Article 7.11.1.5 prendra effet immédiatement après 17 heures, heure de la Ville de New York, à la date fixée pour la détermination des détenteurs d'Actions Ordinaires ayant droit de recevoir ladite distribution. Dans le cas où toute distribution décrite à cet Article 7.11.1.5 n'est pas faite de la sorte, chaque Taux de Conversion Fixe sera réajusté, avec effet à la date où le Conseil d'Administration annonce publiquement sa ou, le cas échéant, la décision de l'Assemblée Générale, de ne pas effectuer ladite distribution, au Taux de Conversion Fixe qui aurait alors été en vigueur si ladite distribution n'avait pas été déclarée.

7.11.1.6 Offres d'Achat Préalablement Enregistrées et Offres d'Echange

Si la Société ou toute filiale de la Société parvient à mener à bonne fin une offre d'achat ou d'échange en vertu d'un Schedule TO ou d'une déclaration d'enregistrement par Formulaire F-4 (ou Formulaire S-4) pour les Actions Ordinaires (à l'exclusion de tout titre convertible ou échangeable en Actions Ordinaires) et où les espèces et la valeur de toute autre contrepartie incluses dans le paiement par Action Ordinaire est supérieur au Cours Boursier Actuel, chaque Taux de Conversion Fixe en effet à 17 heures, heure de la Ville de New York, à la date d'expiration de l'offre d'achat ou d'échange (la «Date d'Expiration») sera multiplié par une fraction:

(A) dont le numérateur sera égal à la somme de:

(1) la valeur totale des espèces et de la Juste Valeur de Marché à la Date d'Expiration de toute autre contrepartie payée ou payable pour les Actions Ordinaires achetées lors de ladite offre d'achat ou d'échange, et

(2) le produit du Cours Boursier Actuel et du nombre d'Actions Ordinaires en circulation immédiatement après l'expiration de ladite offre d'achat ou d'échange (après avoir donné effet à l'achat ou l'échange d'actions en vertu de ladite offre d'achat ou d'échange); et

(A) dont le dénominateur sera égal au produit (1) du Cours Boursier Actuel et (2) du nombre d'Actions Ordinaires en circulation immédiatement avant le moment de l'expiration de ladite offre d'achat ou d'échange.

Tout ajustement fait en vertu de cet Article 7.11.1.6 prendra effet immédiatement après 17 heures, heure de la Ville de New York, le septième (7^e) Jour de Négociation suivant immédiatement la Date d'Expiration. Dans le cas où la Société ou une de ses filiales est obligée d'acheter des Actions Ordinaires en vertu d'une telle offre d'échange ou d'achat, mais que la Société ou ladite filiale est empêchée de manière permanente par la loi applicable d'effectuer lesdits achats, ou que tous lesdits achats sont annulés, alors chaque Taux de Conversion Fixe sera réajusté au Taux de Conversion Fixe qui aurait été effectif si ladite offre d'achat ou d'échange n'avait pas été faite. Excepté tel que mentionné dans la phrase précédente, si l'application de cet Article 7.11.1.6 à toute offre d'achat ou d'échange résultait dans une réduction de chaque Taux de Conversion Fixe, aucun ajustement ne sera fait pour ladite offre d'achat ou d'échange en vertu de cet Article 7.11.1.6. Si un ajustement à chaque Taux de Conversion Fixe est requis en vertu de cet Article 7.11.1.6 pendant toute période de règlement afférente aux Actions Préférentielles A qui ont été livrées pour conversion, la livraison de la contrepartie de conversion afférente sera retardée dans la mesure nécessaire pour mener à bien les calculs prévus dans cet Article 7.11.1.6.

7.11.1.7 Excepté le cas d'un Dividende de Scission, dans les cas où la Juste Valeur de Marché des créances sur la Société, des Actions, des titres, des droits d'acquérir du capital social de la Société, des espèces ou autres actifs pour lesquels l'Article 7.11.1.4 ou l'Article 7.11.1.5 s'applique, applicable à une Action Ordinaire, distribuée aux détenteurs d'Actions Ordinaires équivaut ou excède la moyenne des Cours de Clôture des Actions Ordinaires sur une période de cinq (5) Jours de Négociation consécutifs se terminant le Jour de Négociation précédant l'Ex Date de ladite distribution, au lieu d'avoir droit à un ajustement de chaque Taux de Conversion Fixe, les Actionnaires Préférentiels A auront le droit de recevoir lors de la conversion, en sus d'un nombre d'Actions Ordinaires qui serait autrement livrables au jour de la Date de Conversion applicable, la nature et le montant des créances sur la Société, des Actions, des titres, des droits d'acquérir le capital social de la Société, des espèces ou des autres actifs compris dans la distribution que lesdits Actionnaires Préférentiels A auraient reçue si lesdits Actionnaires Préférentiels A avaient été propriétaires immédiatement avant la date d'inscription pour la détermination des détenteurs d'Actions Ordinaires en droit de recevoir la distribution, pour chaque Action Préférentielle A, d'un nombre d'Actions Ordinaires égal au Taux de Conversion Maximum en vigueur à la date de ladite distribution.

7.11.1.8 Les Plan de Droits.

Dans la mesure où la Société a un plan en vigueur donnant accès à certains droits en relation aux Actions Ordinaires à toute Date de Conversion, lors de la conversion de toutes Actions Préférentielles A, les Actionnaires Préférentiels A recevront, en plus des Actions Ordinaires, les droits décrits dans ledit plan de droits, à moins que, avant ladite Date de Conversion, les droits aient été séparés des Actions Ordinaires, dans quel cas chaque Taux de Conversion Fixe sera ajusté au moment de la séparation desdits droits comme si la Société avait fait une distribution à tous les détenteurs d'Actions Ordinaires tel que décrit dans l'Article 7.11.1.4, sous réserve d'un réajustement effectué dans le cas d'une expiration, cessation ou rachat desdits droits. Toute distribution de droits ou bons de souscription d'actions effectuée en vertu d'un plan de droits qui aurait permis aux Actionnaires Préférentiels A de recevoir lors de la conversion, en sus des Actions Ordinaires, les droits décrits dans les présentes (à moins que lesdits droits ou bons de souscription d'actions aient été séparés des Actions Ordinaires) ne constituera pas une distribution de droits ou bons de souscription d'actions qui donnerait droit aux Actionnaires Préférentiels A à un ajustement aux Taux de Conversion Fixes.

7.11.2 Ajustement pour Raisons Fiscales.

La Société peut effectuer toute augmentation de chaque de Taux de Conversion Fixe, en plus de toutes autres augmentations requises par cet Article 7.11, que la Société juge opportune afin d'éviter ou de diminuer tout impôt sur le revenu des détenteurs d'Actions Ordinaires qui résulterait de tout dividende ou distribution d'Actions Ordinaires (ou l'émission de droits ou bons de souscription d'actions afin d'acquérir des Actions Ordinaires) ou pour tout évènement traité comme tel pour des raisons fiscales liées à l'impôt sur le revenu ou toutes autres raisons; pour autant que le même ajustement proportionnel soit effectué à chaque Taux de Conversion Fixe.

7.11.3 Calcul des Ajustements; Ajustements du Prix Seuil d'Appréciation, Prix Initial et Cours de Action.

7.11.3.1 Tous les ajustements à chaque Taux de Conversion Fixe seront calculés au plus proche 1/10.000ème d'une Action Ordinaire. Avant la Date de Conversion Obligatoire, aucun ajustement à un Taux de Conversion Fixe ne sera requis à moins que ledit ajustement ne requière une augmentation ou une réduction d'au moins un pourcent (1%); pour autant que, tous les ajustements qui du fait de cet Article 7.11.3.1 ne sont pas requis seront reportés et pris en compte dans tout ajustement subséquent; pour autant, cependant que tous les ajustements aux Taux de Conversion Fixes en relation avec des dividendes en espèces ou distributions payés par la Société, les Taux de Conversion Fixes seront ajustés indépendamment du fait que les ajustements agrégés représentent un pourcent (1%) ou plus des Taux de Conversion Fixes au plus tard le 15 novembre de chaque année calendaire; pour autant que, de plus, à la première de la Date de Conversion Obligatoire, de la Date de Conversion Anticipée ou de la Date Effective d'une Acquisition en Espèces, les ajustements de chaque Taux de Conversion Fixe seront faits en ce qui concerne lesdits ajustements reportés qui n'ont pas été pris en compte avant cette date.

7.11.3.2 Si un ajustement est fait aux Taux de Conversion Fixes en vertu de l'Article 7.11.1 ou de l'Article 7.11.2, un ajustement inversement proportionnel devra également être fait au Prix Seuil d'Appréciation et au Prix Initial uniquement afin de déterminer lequel des Articles 7.5.2.1, 7.5.2.2 ou 7.5.2.3 de l'Article 7.5.2 sera applicable à la Date de Conversion Obligatoire. Ledit ajustement sera fait par division du Prix Seuil d'Appréciation et du Prix Initial par une fraction, dont le numérateur sera soit le Taux de Conversion Fixe immédiatement après ledit ajustement en vertu de l'Article 7.11.1 ou l'Article 7.11.2 et dont le dénominateur sera ce Taux de Conversion Fixe immédiatement avant ledit ajustement. La Société fera tous les ajustements appropriés au Cours de Clôture avant l'Ex Date, la date effective ou la Date d'Expiration pertinente, le cas échéant, utilisée pour calculer la Valeur de Marché Applicable afin de prendre en compte tous ajustements au Prix Initial, au Prix Seuil d'Appréciation et aux Taux de Conversion Fixes devenant effectifs pendant la période de quarante (40) Jours de Négociation consécutifs utilisée pour calculer la Valeur de Marché Applicable.

7.11.3.3 Si:

(A) la date d'inscription déterminée pour un dividende ou une distribution sur les Actions Ordinaires se situe après la fin de la période de quarante (40) Jours de Négociation consécutifs utilisée pour calculer la Valeur de Marché Applicable et avant la Date de Conversion Obligatoire; et

(B) ce dividende ou cette distribution aurait résulté en un ajustement du nombre d'Actions Ordinaires pouvant être émises aux Actionnaires Préférentiels A si ladite date d'inscription se serait située, ou avant le, dernier Jour de Négociation de ladite période de quarante (40) Jours de Négociation, alors la Société considérera les Actionnaires Préférentiels A comme détenteurs inscrits d'Actions Ordinaires aux fins dudit dividende ou distribution. Dans ce cas, les Actionnaires Préférentiels A recevront le dividende ou la distribution sur les Actions Ordinaires ensemble avec le nombre d'Actions Ordinaires à émettre à la Date de Conversion Obligatoire.

7.11.3.4 Si un ajustement est fait au Taux de Conversion Fixes en vertu de l'Article 7.11.1 ou Article 7.11.2, un ajustement proportionnel sera fait à chaque titre de colonne du Cours d' Action, tel que présenté dans le tableau inclus dans la définition de «Taux de Conversion d'Acquisition en Espèces». Un tel ajustement sera fait en multipliant chaque Cours d'Action inclus dans

ledit tableau par une fraction, dont le numérateur est le Taux de Conversion Minimum immédiatement avant ledit ajustement et dont le dénominateur sera le taux de Conversion Minimum immédiatement après ledit ajustement.

7.11.3.5 Aucun ajustement aux Taux de Conversion Fixes ne sera fait si les Actionnaires Préférentiels A peuvent participer à la transaction qui aurait autrement donné lieu à un ajustement comme s'ils étaient détenteurs, pour chaque Action Préférentielle A, d'un nombre d'Actions Ordinaires égal au Taux de Conversion Maximum alors en vigueur. De plus, le Taux de Conversion Fixe applicable ne sera pas ajusté:

(A) lors de l'émission d'Actions Ordinaires en vertu de tout plan présent ou futur de réinvestissement des dividendes ou d'intérêts payables sur les titres de la Société et l'investissement de toutes sommes additionnelles optionnelles en Actions Ordinaires en vertu de tout plan;

(B) lors de l'émission d'Actions Ordinaires ou de droits ou bons de souscription de ces actions en vertu de tout plan ou programme présent ou futur d'intéressement ou de motivation de, ou assumé par, la Société ou l'une de ses filiales;

(C) lors de l'émission de toutes Actions Ordinaires en vertu de toute option, bon de souscription, droit ou titre exerçable, échangeable ou convertible et émis à la Date d'Émission Préférentielle A;

(D) pour une modification de la valeur nominale ou aucune valeur nominale des Actions Ordinaires; ou

(E) pour les Dividendes Préférentiels accumulés sur les Actions Préférentielles A, sauf tel que prévu aux dispositions des Articles 7.5, 7.6 et 7.7.

7.11.4 Notification d'Ajustement

Lorsque les Taux de Conversion Fixes et les Taux de Conversion d'Acquisition en Espèces sont à ajuster, la Société devra:

7.11.4.1 calculer lesdits Taux de Conversion Fixes et Taux de Conversion d'Acquisition en Espèces ajustés, et préparer et transmettre à l'Agent de Transfert un Certificat de Dirigeant indiquant lesdits Taux de Conversion Fixes et Taux de Conversion d'Acquisition en Espèces ajustés, la méthode de calcul raisonnablement détaillée de manière raisonnable et les faits ayant entraîné ledit ajustement et sur lesquels ledit ajustement est basé;

7.11.4.2 dans les cinq (5) Jours Ouvrables suivant la survenance d'un évènement qui requiert un ajustement des Taux de Conversion Fixes et des Taux de Conversion d'Acquisition en Espèces (ou, si la Société n'a pas connaissance de ladite survenance, dès que possible après en avoir eu connaissance), notifier, ou s'assurer que les Actionnaires Préférentiels A soient notifiés de la survenance dudit évènement; et

7.11.4.3 dans les cinq (5) Jours Ouvrables suivant la détermination desdits Taux de Conversion Fixes et Taux de Conversion d'Acquisition en Espèces ajustés, fournir, ou s'assurer de la fourniture aux Actionnaires Préférentiels A d'une déclaration énonçant de manière raisonnablement détaillée la méthode par laquelle l'ajustement desdits Taux de Conversion Fixe et Taux de Conversion d'Acquisition en Espèces, le cas échéant, a été déterminé, et énonçant lesdits Taux de Conversion Fixes ou Taux de Conversion d'Acquisition en Espèces ajustés.

7.11.5 Évènements de Restructuration

7.11.5.1 Dans le cas:

(i) d'une consolidation ou fusion de la Société avec ou dans toute autre Personne (autre qu'une fusion ou consolidation dans laquelle la Société serait la société survivante et dans laquelle les Actions Ordinaires en circulation immédiatement avant la fusion ou consolidation ne sont pas échangées en espèces, titres ou autre propriété de la Société ou d'une autre Personne);

(ii) de toute vente, transfert, location ou cession à toute autre Personne de toute ou substantiellement toute la propriété et des actifs de la Société;

(iii) de toute reclassification d'Actions Ordinaires en titres y compris des titres autres que des Actions Ordinaires; ou

(iv) de tout échange prévu par la loi des titres de la Société avec une autre Personne (autre qu'en relation avec une fusion ou acquisition),

dans chaque cas, dont le résultat serait que les Actions Ordinaires de la Société seraient converties en, ou échangées pour, des titres, espèces ou biens (chacun, un «Évènement de Restructuration»), chaque Action Préférentielle A en circulation immédiatement avant ledit Évènement de Restructuration deviendra, sans le consentement des Actionnaires Préférentiels A, convertible en la catégorie de titres, espèces et autres biens (la «Propriété Echangée») à laquelle ledit Actionnaire Préférentiel A aurait eu droit si ledit Actionnaire Préférentiel A avait converti ses Actions Préférentielles A en Actions Ordinaires immédiatement avant ledit Évènement de Restructuration. A cette fin, la catégorie et le montant de la Propriété Echangée dans le cas de tout Évènement de Restructuration qui entraîne la conversion des Actions Ordinaires en droit de recevoir plus (déterminée en partie en fonction d'une seule catégorie de contrepartie, entre autres de toute forme de choix de l'actionnaire) sera considérée comme la moyenne pondérée de toutes les catégories et montants de contrepartie reçues par les détenteurs d'Actions Ordinaires qui de manière affirmative font un tel choix. Aux fins de cet Article 7.11.5 une «Unité de Propriété Echangée» s'entend comme la catégorie et le montant de ladite Propriété Echangée attribuable à une Action Ordinaire. Le nombre d'Unités de Propriétés Echangées pour chaque Action Préférentielle A convertie après la date effective dudit Évènement de Restructuration sera déterminé en fonction du Taux de Conversion Obligatoire, Taux de Conversion Minimum ou Taux de Conversion d'Acquisition en Espèces, le cas échéant, alors en vigueur à la Date de Conversion applicable (sans intérêts dus et sans aucun droit aux dividendes ou distributions ayant une date d'inscription précédant la Date de Conversion). En cas de survenance d'un tel tout Évènement de Restructuration, le taux de conversion applicable sera (1) dans le cas d'une Conversion Anticipée, le Taux de Conversion Minimum (et tout ajustement y relatif en vertu de l'Article 7.6.2 basé sur la Valeur de Marché de Conversion Anticipée Applicable tel que déterminée en utilisant la formulation alternative de la Valeur de Marché de Conversion Anticipée décrite dans le paragraphe suivant) et (2) dans le cas d'une Conversion Obligatoire, le Taux de Conversion Obligatoire (déterminé en vertu de l'Article 7.5 sur base de la Valeur de Marché Applicable déterminée utilisant la formulation alternative de la Valeur de Marché Applicable tel que décrite dans le paragraphe suivant).

Aux fins de cet Article 7.11.5, la «Valeur de Marché Applicable» et la «Valeur de Marché de Conversion Anticipée Applicable» seront considérées comme se référant à la Valeur de Marché Applicable ou à la Valeur de Marché de Conversion Anticipée Applicable, le cas échéant, de la Propriété Echangée et cette valeur sera déterminée (A) pour les titres cotés sur un marché public et composant tout ou partie de la Propriété Echangée, sur la base du Cours de Clôture desdits titres, (B) dans le cas où la Propriété Echangée est composée en tout ou partie d'espèces, sur la base du montant de ces espèces et (C) dans le cas où tout autre bien compose tout ou partie de la Propriété Echangée, sur la base de la valeur dudit bien, tel que déterminée par une banque d'investissement indépendante et nationalement (aux Etats-Unis) reconnue choisie par la Société dans ce but. Aux fins du présent Article 7.11.5, le terme «Cours de Clôture» sera considéré comme référant au cours de vente de clôture, le dernier prix d'achat de référence ou une moyenne entre les derniers prix de vente et prix d'achat, le cas échéant, de tous titres cotés sur un marché public composant toute ou partie de la Propriété Echangée. Aux fins du présent Article 7.11.5, les références aux Actions Ordinaires dans les définitions de «Jour de Négociation», la «Valeur de Marché Applicable» et la «Valeur de Marché de Conversion Anticipée Applicable» seront remplacées par des références à tous titres cotés sur un marché public composant toute ou partie de la Propriété Echangée.

Les dispositions de cet Article 7.11.5 décrites ci-dessus s'appliqueront également à tous Événements de Restructuration successifs et les dispositions de cet Article 7.11 s'appliqueront à toutes les Actions de la Société (ou tout successeur) reçues par les détenteurs d'Actions Ordinaires lors d'un tel Évènement de Restructuration.

La Société (ou tout successeur) devra, dans les vingt (20) jours de la survenance d'un Évènement de Restructuration, notifier les Actionnaires Préférentiels A de la survenance dudit évènement et du type et du montant des espèces, titres ou autre biens qui compose la Propriété Echangée. Le défaut de ladite notification n'affectera pas le mécanisme de cet Article 7.11.5.

7.12 Notifications aux Actionnaires Préférentiels A

Toutes notifications ou autres communications, autres que celles pouvant être exigées par la loi applicable dans le cadre des Assemblées Générales, afférentes aux Actions Préférentielles A seront faites de manière satisfaisante si elles sont données par la Société (i) concernant les Actions Préférentielles A dont les détenteurs sont (directement) inscrits dans le registre d'actionnaires de la Société, à ces détenteurs d'Actions Préférentielles A inscrits par écrit et délivrées en personne ou par courrier prioritaire, port payé, ou de toute autre manière qui serait permise dans ces Statuts ou par la loi applicable, et (ii) concernant les Actions Préférentielles A détenues par ou par l'intermédiaire de la DTC (et tout autre système de règlement ou dépositaire), par notification à la DTC (ou tout autre système de règlement ou dépôt).

7.13 Divers.

7.13.1 La Société paiera toutes et l'intégralité des taxes et frais de timbre relatifs au transfert d'actions et qui seraient payables du fait de l'émission ou de la livraison des Actions Préférentielles A ou Actions Ordinaires ou tous autres titres émis en raison des Actions Préférentielles A. La Société ne sera cependant pas tenue de payer toute taxe qui serait due au fait de tout transfert relatif à l'émission ou la livraison des Actions Ordinaires ou autres titres à un nom autre que celui auquel les Actions Préférentielles A, par rapport auxquelles lesdites actions ou autres titres sont émis ou livrés, ont été inscrits, et ne sera pas dans l'obligation de faire ladite émission ou livraison à moins que et jusqu'à ce que la Personne ayant autrement droit à ladite émission ou livraison ait payé à la Société la somme de ladite taxe ou ait prouvé, de manière satisfaisante pour la Société, que ladite a bien été payée ou n'est pas due.

7.13.2 La Préférence de Liquidation et le Taux de Dividende seront sujets à un ajustement équitable lors de chaque survenance d'une division d'actions, une combinaison, une reclassification ou tout autre événement similaire impliquant les Actions Préférentielles A. Lesdits ajustements seront déterminés de bonne foi par le Conseil d'Administration et soumis par le Conseil d'Administration à l'Agent de Transfert.

Art. 8. Limitation de Propriété - Lois sur les Communications.

8.1 La Société peut restreindre la propriété, ou la propriété proposée, des Actions ou autres titres de capital de la Société par toute Personne ou le transfert d'Actions (ou autres titres de capital) à toute Personne si la propriété ou la propriété proposée des Actions (ou autres titres de capital) (ou le transfert d'Actions ou autres titres de capital à) de telle Personne (i) est ou pourrait être, tel que déterminé par le Conseil d'Administration, non conforme à, ou en violation de, toute disposition de, Lois sur les Communications, (ii) limitera ou pourrait limiter ou porter atteinte à, tel que déterminé par le Conseil d'Administration, toutes activités commerciales ou activités commerciales proposées de la Société et/ou son groupe ou toute entité du groupe sous les Lois sur les Communications ou (iii) soumettra, ou pourrait soumettre, la Société et/ou son groupe ou toute entité de groupe, à toute loi, règle, règlement, disposition ou politique spécifique de Lois sur les Communications auxquelles la Société, son groupe ou entité de groupe ne seraient pas soumis en l'absence d'une telle propriété, propriété proposée ou transfert ((i), (ii) et (iii) collectivement les «Limitations dues aux Lois sur les Communications»).

8.2 Si la Société juge que la propriété ou la propriété proposée des Actions ou autres titres de capital de la Société par toute Personne peut résulter dans une Limitation des Lois sur les Communications, la Société peut à tout moment requérir des informations des Actionnaires, autres détenteurs de titres de capital, cessionnaires ou cessionnaires proposés, incluant de manière non limitative des informations concernant la citoyenneté, les affiliations, et la propriété ou autres intérêts dans d'autres sociétés ou entreprises, et ladite Personne devra fournir dans les meilleurs délais lesdites informations à la Société.

8.3 Si (A) la Société ne reçoit pas les informations pertinentes requises en vertu de l'Article 8.2 ou (B) la Société détermine que la propriété ou la propriété proposée des Actions ou autres titres de capital par une Personne ou que l'exercice de tous droits afférents aux Actions ou autres titres de capital par une Personne, résulte ou pourrait résulter, comme déterminé par la Société, dans une Limitation due aux Lois sur les Communications, la Société a le droit absolu de (i) refuser d'émettre les Actions ou les autres titres de capital à ladite Personne, (ii) refuser de permettre ou de reconnaître un transfert (ou tentative de transfert) des Actions ou autres titres de capital à une telle Personne et tout transfert visé ou tentative de transfert ne sera pas

inscrit dans le(s) registre(s) de la Société, (iii) suspendre tous droits attachés auxdites Actions ou titres de capital (incluant de manière non limitative le droit d'assister et de voter aux Assemblées Générales et le droit de recevoir des dividendes ou autres distributions) et qui créerait ou pourrait créer une Limitation due aux Lois sur les Communications, (iv) racheter obligatoirement les Actions ou autres titres de capital de la Société détenus par cette Personne. La Société aura également le droit d'exercer les recours appropriés de toute sorte prévus, par la loi ou en équité devant n'importe quelle juridiction compétente, contre toute dite Personne, afin d'obtenir lesdites informations ou de prévenir ou de remédier à toute situation qui cause ou causerait une Limitation des Lois sur les Communications. Toute mesure prise par la Société en vertu du (i), (ii) ou (iii), respectivement, restera effective jusqu'à ce que les informations requises aient été reçues et/ou la Société ait déterminé que la propriété, propriété proposée ou transfert des Actions ou autres titres de capital par (ou à) la Personne concernée ou que l'exercice de tous droits des Actions ou autres titres de capital par ladite Personne, le cas échéant, ne résulte pas en une Limitation due aux Lois sur les Communications.

8.4 En cas de rachat obligatoire,

8.4.1 La Société devra délivrer une notification (une «Notification de Rachat») à l'/aux Actionnaire(s) concerné(s), spécifiant (1) les Actions faisant l'objet du rachat, (2) le prix de rachat pour lesdites Actions, et (3) l'endroit où le prix de rachat pour lesdites Actions est payable. Immédiatement après la fin des heures d'ouverture à la date spécifiée dans la Notification de Rachat, chaque dit Actionnaire cessera d'être le propriétaire des Actions spécifiées dans ladite notification et, le cas échéant, le nom dudit Actionnaire sera rayé du registre d'Actionnaires.

8.4.2 Le prix auquel les Actions spécifiées dans toute Notification de Rachat seront rachetées (le «Prix de Rachat») sera un montant égal au plus petit de (A) la valeur totale payée pour lesdites Actions (si acquises pendant les douze mois précédant la date de la Notification de Rachat pertinente), (B) dans le cas d'Actions de la Société cotées sur un Marché Réglementé, le dernier prix coté pour les Actions le jour ouvrable précédant immédiatement le jour où la Notification de Rachat est délivrée, et (C) la valeur comptable par Action déterminée sur la base des derniers comptes publiés avant le jour de livraison de la Notification de Rachat.

8.4.3 Le paiement du Prix de Rachat sera fait directement au détenteur des Actions ainsi achetées ou pourra être déposé par la Société sur un compte d'une banque au Luxembourg, aux Etats-Unis ou ailleurs (tel que spécifié dans la Notification de Rachat) pour le paiement audit détenteur. Dès paiement du Prix de Rachat (que ce soit directement ou à travers le dépôt dudit prix tel que mentionné précédemment), aucune Personne ayant un intérêt dans les Actions spécifiées dans ladite Notification de Rachat n'aura plus aucun intérêt dans lesdites Actions ou dans l'une d'entre elles, ou une quelconque revendication contre la Société ou ses actifs à ce titre sauf dans le cas d'un dépôt du Prix de Rachat tel que mentionné précédemment, le droit de recevoir le Prix de Rachat déposé (sans intérêts).

8.4.4 L'exercice par la Société des pouvoirs lui étant conférés par cet Article ne pourra en aucun cas être remis en cause ou invalidé, sur le fondement d'une insuffisance de preuve de la propriété des Actions par toute Personne était insuffisante ou que la vraie propriété de toutes Actions était différente de ce qui semblait à la Société à la date de toute Notification de Rachat.

Art. 9. Actions - Droits de vote.

9.1 Excepté et sous réserve des dispositions des présents Statuts, chaque Action donne droit à une voix à toutes les Assemblées Générales des Actionnaires.

9.2 Sauf disposition contraire impérative de la Loi sur les Sociétés l'exige autrement ou sauf disposition contraire des Statuts, les Actions Préférentielles A ne seront pas assorties de droit de vote aux Assemblées Générales de la Société ou autrement.

Art. 10. Administration de la Société - Conseil d'Administration.

10.1 La Société sera administrée par un Conseil d'Administration qui aura les pouvoirs les plus étendus pour gérer les affaires de la Société et pour autoriser et/ou exécuter tout acte de disposition, de gestion ou d'administration dans les limites de

l'Objet de la Société.

10.2 Tous les pouvoirs non expressément réservés par la Loi sur les Sociétés ou par les présents Statuts à l'Assemblée Générale relèvent de la compétence du Conseil d'Administration.

10.3 Sauf disposition contraire de la loi ou des présents Statuts, le Conseil d'Administration de la Société est autorisé à prendre toutes les mesures (par voie de résolution ou autrement) et à adopter toutes les dispositions nécessaires, opportunes, adéquates ou jugées appropriées afin d'accomplir l'objet de la Société.

Art. 11. Composition du Conseil d'Administration.

11.1 La Société est administrée par un Conseil d'Administration composé d'un minimum de trois (3) Administrateurs et d'un maximum de vingt (20) (sauf disposition contraire des présentes), Actionnaires de la Société ou non.

Les Administrateurs sont nommés par l'Assemblée Générale des Actionnaires pour une période ne pouvant excéder trois (3) ans (étant toutefois entendu que cette période de trois (3) ans peut être se prolonger jusqu'à l'Assemblée Générale annuelle qui se tient après le troisième anniversaire de la nomination); à condition toutefois que les Administrateurs soient divisés en trois (3) classes, à savoir la classe I, la classe II et la classe III, de sorte que, sous réserve du nombre d'Administrateurs, chaque classe comportera (autant que possible) un tiers (1/3) des Administrateurs. Les Administrateurs sont nommés sur une base échelonnée et les Administrateurs de l'une des classes seront nommés chaque année pour une durée ne pouvant excéder trois (3) ans (sous réserve des dispositions ci-dessus quant à la prolongation de cette durée), et à condition que les Administrateurs initiaux de la Classe I et les Administrateurs initiaux de la Classe II soient élus respectivement jusqu'à la première (concernant la classe I) et la deuxième (concernant la classe II) Assemblée Générale annuelle qui se tient après leur nomination. Les Administrateurs peuvent être révoqués avec ou sans cause (ad nutum) par l'Assemblée Générale des Actionnaires à la majorité simple des voix exprimées lors d'une Assemblée Générale des Actionnaires. Les Administrateurs seront indéfiniment rééligibles.

11.2 En cas de vacance d'un poste d'Administrateur pour cause de décès, de retraite, de démission, de révocation, destitution ou de toute autre cause, les Administrateurs restants pourront pourvoir à ce poste devenu vacant par un vote à la majorité simple et élire un successeur conformément à la loi applicable.

11.3 (A) Sauf décision contraire du Conseil d'Administration, les candidats à l'élection au Conseil doivent fournir à la Société (i) un questionnaire écrit complété portant sur l'expérience et les compétences de cette Personne (ce questionnaire devra être fourni par la Société sur demande écrite), (ii) les informations pouvant être demandées par la Société, y compris et ce, de manière non limitative, les informations pouvant être requises, nécessaires ou appropriées en vertu de lois ou règlements (y compris les règles, politiques ou règlements de tout Marché Réglementé où les Actions de la Société sont cotées ou négociées) applicables à la Société et (iii) la déclaration et l'engagement écrit que cette Personne respecte et respectera toutes les politiques et lignes directrices de la Société applicables et rendues publiques relatives à la gouvernance d'entreprise, aux conflits d'intérêts, à la confidentialité et la négociation et la propriété d'actions et autres politiques et lignes directrices de la Société ou conformément à la loi applicable aux Administrateurs. (B) Tout candidat potentiel doit, en ce qui concerne ses compétences et affiliations, respecter les lois, règlements, règles ou politiques (y compris les règles, politiques ou règlements de tout Marché Réglementé où des Actions de la Société sont cotées ou négociées) applicables à la Société.

11.4 Toute proposition de la part d'un (des) Actionnaire(s) détenant moins de dix pour cent (10%) du capital social émis (Actionnaire Proposant), de candidat(s) à l'élection au Conseil d'Administration par l'Assemblée Générale (une «Proposition») doit être reçue par la Société par écrit conformément aux dispositions énoncées ci-après, et sauf disposition contraire et impérative expresse de la loi:

11.4.1 Notification de Candidats - Calendrier

11.4.1.1 Toute Proposition doit être faite à la Société par notification écrite par l'(les) Actionnaire(s) Proposant (la «Notification de Candidats») dans un délai raisonnable. Pour être dans les temps, la Notification de Candidats doit être reçue au

siège social de la Société jusqu'aux dates suivantes avant l'Assemblée Générale concernée où l'élection des membres du Conseil est à l'ordre du jour:

11.4.1.2 en cas de Proposition pour l'élection au Conseil à une Assemblée Générale annuelle, au moins quatre-vingt-dix (90) jours et pas plus de cent vingt (120) jours avant le premier (1^{er}) anniversaire du premier envoi de l'avis concernant l'Assemblée Générale annuelle de l'année précédente ; pour autant que, si la date de cette Assemblée Générale annuelle est avancée de plus de trente (30) jours avant, ou reportée de plus de trente (30) jours après, le premier (1^{er}) anniversaire de l'Assemblée Générale annuelle de l'année précédente ; la Société ait reçu la Notification de Candidats par écrit au plus tôt à la fermeture des bureaux (heure locale, CET) le cent-vingtième (120e) jour avant cette Assemblée Générale annuelle et au plus tard à la fermeture des bureaux (CET) le dernier des jours suivants: le quatre-vingt-dixième (90e) jour précédant cette Assemblée Générale annuelle et le dixième (10e) jour suivant le jour où la première communication publique de cette Assemblée Générale annuelle (avancée ou reportée) est faite ;

11.4.1.3 en cas de Proposition pour l'élection au Conseil à une Assemblée Générale autre que l'Assemblée Générale annuelle (étant entendu que cette Proposition n'est recevable que si l'élection de membres au Conseil est mentionnée comme point de l'ordre du jour de cette Assemblée Générale), la Notification de Candidats par écrit doit être reçue par la Société au plus avant la fermeture des bureaux (heure locale, CET) le cent-vingtième (120e) jour précédant cette Assemblée Générale et pas plus tard qu'à la fermeture des bureaux (CET) le dernier des jours suivants: quatre-vingt-dixième (90e) jour précédant cette Assemblée Générale et le dixième (10e) jour suivant le jour où la première communication publique de cette Assemblée Générale annuelle est faite.

11.4.1.4 Tout ajournement, report ou remise, ou toute communication d'un ajournement, report ou remise d'une Assemblée Générale annuelle ou autre n'entamera pas une nouvelle période (et ne prolongera pas une quelconque période) pour la réception d'une Notification de Candidats par la Société.

11.4.2 La Notification de Candidats doit au moins contenir les informations ou preuves suivantes:

11.4.2.1 le nom et l'adresse de chaque Actionnaire Proposant inscrit au registre;

11.4.2.2 une déclaration selon laquelle chaque Actionnaire Proposant est un détenteur d'Actions de la Société et a l'intention d'assister en Personne ou par procuration à l'Assemblée Générale afin de faire la Proposition, ainsi que la preuve de la détention des Actions par cet Actionnaire Proposant;

11.4.2.3 l'accord écrit du candidat indiqué dans la Notification de Candidats concernant sa nomination en tant que candidat à l'élection au Conseil et dans toute communication, procuration ou autre document, et ses fonctions en tant qu'Administrateur de la Société s'il est élu;

11.4.2.4 les informations conformément à l'Article 11.3 concernant le candidat cité dans la Notification ainsi que la preuve que le candidat cité dans la Notification respecte toutes les dispositions de l'Article 11.3 (B); et la déclaration écrite de l'(des) Actionnaire(s) Proposant(s) et du candidat indiqué dans la Notification selon laquelle ces informations et preuves sont vraies, correctes et à jour;

11.4.2.5 l'engagement écrit du candidat à rapidement fournir toute autre information et/ou preuve pouvant être requise par la Société en vertu de l'Article 11.3;

11.4.2.6 l'engagement écrit du l'(des) Actionnaire(s) Proposant(s) de fournir promptement à la Société toute information ou preuve pouvant être raisonnablement requise par la Société afin que celle-ci respecte les lois, règlements, règles ou politiques (y compris les règles, politiques ou règlements de tout Marché Réglementé où des Actions de la Société sont cotées ou négociées) applicables à la Société.

11.5 Si l'(les) Actionnaire(s) Proposant(s) (ou le mandataire de celui(ceux)-ci) n'assiste(nt) pas à l'Assemblée Générale applicable pour faire une Proposition, cette Proposition ne sera pas prise en compte, nonobstant le fait que la Société ait pu recevoir les procurations y relatives.

Art. 12. Président.

12.1 Le Conseil d'Administration, dans la mesure requise par la loi et dans les autres cas, peut, nommer le président du Conseil d'Administration parmi ses membres (le «Président»). Le Président présidera toutes les réunions du Conseil d'Administration et des Actionnaires. En l'absence du Président du Conseil, un président ad hoc présidera l'assemblée / réunion concernée.

12.2 En cas d'égalité des votes, ni le Président ni tout autre Membre du Conseil n'aura de voix prépondérante.

Art. 13. Procédures au sein du Conseil.

13.1 Le Conseil d'Administration se réunira sur convocation du (ou pour le compte du) Président ou de deux Administrateurs, quels qu'ils soient. Le Conseil d'Administration se réunira aussi souvent que les intérêts de la Société l'exigent.

13.2 Une notification écrite de toute réunion du Conseil d'Administration sera donnée par lettre, câble, télégramme, téléphone, télécopie ou email à chaque Administrateur deux (2) jours avant la réunion, sauf en cas d'urgence, auquel cas un préavis de vingt-quatre (24) heures sera suffisant. Une convocation spéciale ne sera pas requise pour les réunions se tenant conformément à un échéancier préalablement approuvé par le Conseil et communiqué à tous les membres du Conseil. Une réunion du Conseil peut aussi valablement être tenue sans convocation spéciale dans la mesure où les Administrateurs présents ou représentés ne s'y opposent pas et que les Administrateurs qui ne sont pas présents ou représentés, ont renoncé à la convocation spéciale par écrit, par voie de télécopie, d'email ou autrement.

13.3 Les réunions du Conseil d'Administration peuvent se tenir physiquement ou, en toutes circonstances, par voie de conférence téléphonique, vidéoconférence ou autre moyen similaire de communication permettant aux participants de communiquer entre eux. Un Administrateur participant par l'un de ces moyens sera considéré comme présent à la réunion aussi longtemps qu'il est connecté.

13.4 Tout Administrateur peut se faire représenter à toute réunion du Conseil d'Administration en désignant par écrit, par lettre ou par câble, télégramme, télécopie ou email un autre Administrateur comme son mandataire. Un Administrateur peut représenter plus d'un de ses collègues.

13.5 Le Conseil d'Administration ne peut délibérer et agir valablement que si une majorité des membres du Conseil (ayant le droit de voter) est présente ou représentée. Les décisions sont prises à la majorité simple des voix valablement exprimées par les membres du Conseil présents ou représentés (et ayant le droit de voter).

13.6 Le Conseil d'Administration peut également, en toutes circonstances et unanimement, adopter des résolutions par voie circulaire et les résolutions écrites signées par tous les membres du Conseil seront aussi valables et effectives que si elles étaient adoptées lors d'une réunion régulièrement convoquée et tenue. Ces signatures peuvent apparaître sur un seul document ou plusieurs copies de la même résolution et seront établies par lettre, câble, télécopie ou email.

13.7 Les procès-verbaux de toute réunion du Conseil d'Administration (ou copies ou extraits de ces procès-verbaux qui peuvent servir lors d'une action en justice ou autrement) doivent être signés par le Président, le président (ad hoc) de la réunion en question ou par deux (2) Administrateurs ou tel que décidé lors de la réunion du Conseil concernée ou lors d'une réunion du Conseil subséquente. Les procès-verbaux ou résolutions du Conseil (ou copies ou extraits de ceux-ci) peuvent également être certifiés par le secrétaire du Conseil.

Art. 14. Délégation de pouvoirs, Comités, Secrétaire.

14.1 Le Conseil peut déléguer la gestion journalière des affaires de la Société de même que le pouvoir de représenter la Société dans ses affaires journalières à des Administrateurs individuels ou à d'autres fondés de pouvoirs ou agents de la Société (avec le pouvoir de sous-déléguer). En plus, le Conseil d'Administration peut déléguer la gestion journalière des affaires de la Société de même que le pouvoir de représenter la Société dans ses affaires journalières à un comité exécutif ou autre tel qu'il le juge approprié. Le Conseil d'Administration déterminera les conditions de nomination et de révocation de même que la rémunération et les pouvoirs de la Personne ou des Personnes ainsi nommée(s).

14.2 Le Conseil d'Administration peut (mais ne doit pas, à moins que la loi ne le requière) établir un ou plusieurs comités et dont il doit, si un ou plusieurs comités sont établis, nommer les membres (qui peuvent mais ne doivent pas être membres du Conseil), déterminer l'objet, les pouvoirs et les compétences ainsi que les procédures et toutes autres règles qui peuvent y être applicables.

14.3 Le Conseil d'Administration peut nommer un secrétaire de la Société qui peut mais ne doit pas être un membre du Conseil d'Administration et déterminer ses responsabilités, pouvoirs et compétences.

Art. 15. Signatures autorisées. La Société sera engagée par la seule signature du Président ou la seule signature de l'un (1) des Administrateurs ou par les signatures conjointes ou individuelles de toutes Personnes à qui de tels pouvoirs de signature auront été délégués par le Conseil d'Administration. Afin d'éviter tout doute, pour les matières se rapportant à la gestion journalière de la Société, la Société sera engagée par la seule signature de l'administrateur délégué («Chief Executive Officer» ou «CEO») ou de toute(s) Personne(s) à qui de tels pouvoirs de signature auront été délégués par le Conseil d'Administration (avec ou sans pouvoir de substitution).

Art. 16. Responsabilité du Conseil, Indemnisation.

16.1 Les Administrateurs ne seront pas tenus personnellement responsables de l'endettement et des autres obligations de la Société. En tant que mandataires de la Société, ils sont responsables de l'exécution de leurs devoirs. Sous réserve des exceptions et limitations prévues à l'Article 16.2, toute personne qui est, ou a été, administrateur ou agent de la Société ou d'une filiale directe ou indirecte de la Société sera indemnisée par la Société dans la mesure la plus large permise par la loi pour les responsabilités et toutes les dépenses raisonnablement engagées ou payées par celui-ci en rapport avec une demande, action, poursuite ou procédure judiciaire dans laquelle il est impliqué en tant que partie ou autrement en vertu de sa qualité passée ou présente d'administrateur ou d'agent de la Société ou de filiale directe ou indirecte de la Société, et pour tous les montants qu'il aurait payés ou engagés dans le cadre du règlement des différends mentionnés ci-dessus. Les termes «demande», «action», «poursuite» ou «procédure judiciaire» s'appliqueront à toutes les demandes, actions, poursuites ou procédures judiciaires (civiles, pénales ou autres, y compris appel) actuels ou éventuels et les termes «responsabilités» et «dépenses» incluront sans limitation les honoraires d'avocat, frais, jugements, montants payés dans le cadre d'une transaction et autres dettes.

16.2 Aucune indemnisation ne sera due à un administrateur ou un fondé de pouvoir de la Société ou filiale directe ou indirecte de la Société:

16.2.1 En cas de mise en cause de sa responsabilité vis-à-vis de la Société ou de ses actionnaires en raison d'un abus de pouvoir, de mauvaise foi, de négligence grave ou d'imprudence extrême dans l'accomplissement des devoirs découlant de sa fonction;

16.2.2 Pour toute affaire dans le cadre de laquelle il/elle serait finalement condamné(e) pour avoir agi de mauvaise foi et non dans l'intérêt de la Société (ou, le cas échéant, la filiale concernée); ou

16.2.3 En cas de transaction, à moins que la transaction n'ait été approuvée par le tribunal d'une juridiction compétente ou par le Conseil d'Administration.

16.3 La Société peut, dans la mesure la plus large permise par la loi, contracter et maintenir une assurance ou fournir une protection similaire ou prendre d'autres dispositions, y compris et ce, de manière non limitative, fournir un fond en fiducie, une lettre de crédit ou une garantie de paiement au nom d'un administrateur ou d'un agent de la Société ou d'une filiale directe ou indirecte de la Société pour toute dette à son encontre ou encourue par lui ou en son nom en sa qualité d'administrateur ou agent de la Société ou d'une filiale directe ou indirecte de la Société.

16.4 Le droit d'indemnisation, tel que défini dans les présentes, sera individuel et n'exclura pas d'autres droits présents ou futurs d'un administrateur ou fondé de pouvoir de la Société ou filiale directe ou indirecte de la Société, il restera en effet en faveur d'une personne ayant cessé d'être administrateur ou fondé de pouvoir de la Société ainsi qu'aux héritiers, exécuteurs

testamentaires ou administrateurs de cette personne. Le droit d'indemnisation prévu dans les présentes n'est pas exclusif et les présentes dispositions n'affecteront en rien le droit d'indemnisation pouvant appartenir aux membres du personnel de la Société, y compris les administrateurs et fondés de pouvoir, en vertu d'un contrat ou de la loi.

16.5 Les dépenses relatives à la préparation d'une défense et la représentation dans le cadre d'une demande, action, poursuite ou procédure judiciaire de la nature décrite dans le présent Article seront avancées par la Société avant toute décision finale sur la question de savoir qui supportera ces dépenses, dès réception d'un engagement par ou pour compte du fondé de pouvoir ou de l'administrateur de rembourser ce montant s'il est finalement décidé qu'il/elle n'aurait pas eu droit à une indemnisation conformément au présent Article.

Art. 17. Conflits d'intérêts.

17.1 Aucun contrat ou autre transaction entre la Société et une quelconque autre société ou entreprise ne seront affectés ou invalidés par le fait qu'un ou plusieurs Administrateurs ou fondés de pouvoir de la Société aurai(en)t un intérêt dans, ou est administrateur, associé, fondé de pouvoir, mandataire, conseil ou employé d'une telle autre société ou entreprise. Tout Administrateur ou fondé de pouvoir qui est administrateur, fondé de pouvoir, employé ou autre d'une société ou entreprise avec laquelle la Société contracterait ou s'engagerait autrement en affaires, ne pourra, en raison de sa position dans cette autre société ou entreprise, être empêché de délibérer, de voter ou d'agir en tous points relatifs avec un tel contrat ou autre affaire.

17.2 En cas de conflit d'intérêts d'un Administrateur, cet Administrateur devra en informer le Conseil et il ne prendra pas part aux délibérations et au vote sur cette affaire. Rapport de tout conflit d'intérêt émergeant au niveau du Conseil devra être fait à la prochaine Assemblée Générale des Actionnaires avant toute résolution dans la mesure requise par la loi.

Art. 18. Assemblées Générales des Actionnaires.

18.1 Toute Assemblée Générale des Actionnaires de la Société régulièrement constituée représentera l'ensemble des Actionnaires de la Société. Elle aura les pouvoirs les plus étendus afin d'ordonner, d'effectuer ou de ratifier les actes relatifs à toutes les opérations de la Société.

18.2 L'Assemblée Générale annuelle se tiendra, conformément à la loi luxembourgeoise, au siège social de la Société ou à tout autre endroit au Luxembourg tel qu'indiqué dans l'avis de convocation de l'assemblée dans les six mois de la clôture de l'exercice comptable.

18.3 D'autres Assemblées Générales pourront se tenir au lieu et moment spécifiés dans les avis respectifs de convocation de l'assemblée.

18.4 Les Assemblées Générales sont convoquées conformément aux dispositions de la loi. Si tous les Actionnaires sont présents ou représentés à une assemblée générale des Actionnaires, l'Assemblée Générale peut se tenir sans convocation ni publication préalables.

18.5 Les propositions de la part des Actionnaires pour toute Assemblée Générale, à l'exclusion des Propositions en vertu de l'article 11.4 mais y compris et ce, de manière non limitative, concernant notamment les points de l'ordre du jour, les résolutions ou toute autre affaire, ne peuvent être faites que conformément à la Loi sur les Sociétés, à la Règle 14a-8 et aux présents Statuts et ne seront acceptées par la Société que si la Loi sur les Sociétés, la Règle 14a-8 et les présents Statuts le requièrent.

18.6 Le Conseil d'Administration peut fixer une date antérieure à l'Assemblée Générale comme étant la date d'inscription pour être admis, et voter toutes Actions, à l'Assemblée Générale (la «Date d'Inscription AG»). Si une Date d'Inscription AG est fixée pour l'admission et le vote à une Assemblée Générale, seules les Personnes détenant des Actions à la Date d'Inscription AG pourront participer et voter à l'Assemblée Générale (et uniquement en ce qui concerne les Actions qu'ils détiennent à la Date d'Inscription AG).

18.7 Si, conformément aux dispositions de l'Article 6.1.7 des présents Statuts, les Actions sont inscrites dans le(s) registre(s) d'Actionnaires au nom d'un Dépositaire ou sous-dépositaire de ce dernier, les certificats prévus à l'Article 6.1.7 devront être reçus par la Société (ou ses agents indiqués dans l'avis de convocation) au plus tard le jour déterminé par le

Conseil d'Administration. Ces certificats devront (sauf disposition contraire de la loi applicable) certifier, dans le cas où une Date d'Inscription AG a été fixée, que les Actions étaient conservées pour la Personne concernée à la Date d'Inscription AG.

18.8 La Société (ou ses agents) devra recevoir les procurations pour une Assemblée Générale dans le délai fixé par le Conseil, à condition que le Conseil d'Administration puisse, s'il le juge nécessaire, modifier ce délai pour tous les Actionnaires et admettre les Actionnaires (ou leurs mandataires) qui ont remis les documents appropriés à la Société (ou ses agents, tel que mentionné ci-avant) à l'Assemblée Générale, sans tenir compte de ces délais.

18.9 Le Conseil d'Administration adoptera toutes les autres régulations et règles concernant la participation à une Assemblée Générale, de même que la mise à disposition de cartes d'accès, de formulaires de procuration et/ou bulletins de vote afin de permettre aux Actionnaires d'exercer leur droit de vote.

18.10 Tout Actionnaire peut être représenté à une Assemblée Générale en désignant comme son mandataire une autre Personne, Actionnaire ou non.

18.11 Les détenteurs de titres obligataires ou d'obligations ou d'autres titres émis par la Société (le cas échéant) n'auront, sauf obligation contraire prévue la loi, pas le droit de participer aux Assemblées Générales ou d'y être convoqués.

Art. 19. Majorité et Quorum aux Assemblées Générales.

19.1 Lors de toute Assemblée Générale des Actionnaires autre qu'une Assemblée Générale convoquée dans le but de modifier les Statuts de la Société, ou de voter sur des résolutions dont l'adoption est soumise aux règles de quorum et de majorité requises comme en matière de modification de Statuts, un quorum de présence n'est pas requis et les résolutions seront adoptées indépendamment du nombre d'Actions représentées, à la majorité simple des voix valablement exprimées.

19.2 Lors de toute Assemblée Générale extraordinaire des Actionnaires convoquée dans le but de modifier les Statuts de la Société, ou de voter sur des résolutions dont l'adoption est soumise aux règles de quorum et de majorité requises comme en matière de modification de Statuts, le quorum sera d'au moins la moitié du capital social émis de la Société. Si ledit quorum n'est pas réuni, une seconde Assemblée Générale peut être convoquée pour laquelle il n'y aura pas d'exigence de quorum (sous réserve des dispositions de l'Article 19.3). Les résolutions portant modification des Statuts de la Société ou dont l'adoption est soumise aux règles de quorum et de majorité requises comme en matière de modification de Statuts ne pourront être valablement adoptées qu'à la majorité des deux tiers (2/3) des voix valablement exprimées à cette Assemblée Générale, sauf disposition contraire de la loi ou des présents Statuts (y compris notamment l'Article 19.3 et l'Article 20.2).

19.3 Toutes résolutions portant modification des dispositions de l'Article 8 (Limitation de Propriété - Loi sur les Communications), l'Article 11.1 (concernant l'échelonnement des mandats du Conseil), l'Article 11.4 (concernant la(les) proposition(s) de candidats à l'élection du Conseil d'Administration), et du présent Article 19.3 (et tout renvoi y relatif), ne pourront valablement être adoptées qu'à la majorité des deux tiers (2/3) des Actions Ordinaires émises et ayant le droit de voter.

Art. 20. Modifications statutaires.

20.1 Les Statuts pourront être modifiés de temps à autre sur décision de l'Assemblée Générale des Actionnaires dans les conditions de quorum et de majorité requises par la loi luxembourgeoise et tel que prévu par les présents Statuts (y compris et ce, de manière non limitative, l'Article 19.3 et l'Article 20.2).

20.2 La Société ne pourra, sans le vote positif (i) d'au moins deux tiers des Actions Préférentielles A en circulation en tant que classe séparée ou (ii) d'au moins deux tiers des Actions Préférentielles A en circulation et de toutes les séries d'Actions préférentielles ayant le droit de voter en vertu des Statuts ou de la loi applicable:

20.2.1 modifier ou changer les dispositions des Statuts de manière à autoriser ou créer, ou augmenter le montant autorisé de toute classe ou série spécifique d'Actions bénéficiant d'un rang supérieur aux Actions Préférentielles A en matière de paiement de dividendes ou de distribution, dans la mesure où cela affecte les Actions Préférentielles A d'une manière défavorable, d'actifs en cas de liquidation ou dissolution de la Société; ou

20.2.2 modifier, annuler les dispositions des Statuts d'une manière importante et défavorable droits, préférences, privilèges et droits de vote des Actions Préférentielles A; ou

20.2.3 réaliser un échange ou une reclassification d'Actions contraignant(e) impliquant les Actions Préférentielles A ou une fusion ou consolidation de la Société en ou avec une autre entité,

sauf si dans chaque cas: (i) les Actions Préférentielles A restent en circulation et ne sont pas modifiées de quelque manière que ce soit ou, en cas de fusion ou de consolidation dans le cadre de laquelle la Société n'est pas l'entité qui survit ou en résulte, sont converties en ou échangées contre des titres de préférence de l'entité qui survit ou en résulte ou de la société mère ultime; et (ii) ces Actions Préférentielles A qui restent en circulation ou ces titres de préférence, le cas échéant, disposent de droits, préférences, privilèges et droits de vote qui, dans l'ensemble, ne sont pas beaucoup plus défavorables pour les Actionnaires Préférentiels A que les droits, préférences, privilèges et droits de vote des Actions Préférentielles A immédiatement avant cette réalisation, dans l'ensemble,

à condition toutefois que, sauf disposition contraire de la loi, (1) toute augmentation du nombre d'Actions préférentielles autorisées mais non émises, (2) toute augmentation du nombre autorisé ou émis d'actions préférentielles et (3) la création et l'émission, ou une augmentation du montant autorisé ou émis, de toute autre série d'Actions préférentielles de même rang que les Actions Préférentielles A ou de rang inférieur à celles-ci en ce qui concerne le paiement de dividendes (que ces dividendes soient cumulatifs ou non cumulatifs) et/ou la distribution d'avoirs suite à la liquidation ou dissolution de la Société, ne sont pas considérées comme affectant de manière importante et préjudiciable les droits, préférences, privilèges ou droits de vote spéciaux des Actions Préférentielles A.

Nonobstant ce qui précède, sauf disposition contraire de la loi, ce vote ne sera pas obligatoire, et les modifications, changements, ajouts ou annulations des conditions des Actions Préférentielles A devront être effectués sans ledit vote positif pour autant que cela n'affecte pas défavorablement les droits, préférences, privilèges et droits de vote spéciaux des Actions Préférentielles A, dans l'ensemble, dans les buts suivants: (i) remédier à toute ambiguïté ou erreur, ou corriger ou ajouter toute disposition contenue dans les Statuts relativement aux Actions Préférentielles A pouvant être défectueuse ou en contradiction avec toute autre disposition contenue dans les Statuts relative aux Actions Préférentielles A; ou (ii) établir une disposition concernant les matières et questions relatives aux Actions Préférentielles A qui n'est pas en conflit avec les autres dispositions des Statuts relatives aux Actions Préférentielles A.

Art. 21. Exercice comptable. L'exercice comptable de la Société commencera le premier janvier et se terminera le trente et un décembre de chaque année.

Art. 22. Commissaire aux comptes. Les opérations de la Société seront contrôlées par un commissaire aux comptes, actionnaire ou non. Le commissaire aux comptes sera nommé par l'Assemblée Générale pour une période prenant fin à la prochaine Assemblée Générale annuelle ou jusqu'à ce que son successeur soit nommé. Le commissaire aux comptes en fonction pourra être révoqué à tout moment par l'Assemblée Générale avec ou sans cause.

Si les seuils fixés par la loi concernant la nomination d'un réviseur d'entreprises agréé sont atteints ou autrement requis ou permis par la loi, les comptes de la Société seront (et, seulement dans le cas où la loi le permet mais ne le requiert pas, pourront être) contrôlés par un réviseur d'entreprises agréé.

Art. 23. Dividendes / Distributions.

23.1 Il sera prélevé sur le bénéfice net annuel de la Société cinq pour cent (5%) qui seront affectés à la réserve légale non distribuable. Ce prélèvement cessera d'être obligatoire lorsque, et aussi longtemps que, cette réserve atteint dix pour cent (10%) du capital social émis de la Société.

23.2 L'Assemblée Générale des Actionnaires décidera, sur recommandation du Conseil d'Administration, de l'affectation du solde des bénéfices annuels nets.

23.3 Des acomptes sur distributions (y compris, afin d'éviter tout doute, des acomptes sur dividendes) peuvent être déclarés et versés (y compris de manière échelonnée) par le Conseil d'Administration (y compris de toute prime ou d'autre capital ou autres réserves) à condition de respecter les termes et conditions fixés par la loi, soit au moyen d'une distribution en espèces ou au moyen d'une distribution en nature (y compris en Actions).

23.4 Les distributions déclarées pourront être payées en dollars (USD) ou toute autre devise choisie par le Conseil d'Administration et pourront être payées aux lieux et moments fixés par le Conseil d'Administration (sous réserve des résolutions de l'Assemblée Générale des Actionnaires). Le Conseil d'Administration peut décider de manière définitive du taux de change applicable pour convertir les distributions de fonds en la devise de leur paiement. Les dividendes pourront être versés in specie (y compris au moyen d'Actions).

23.5 S'il est décidé, par décision de l'Assemblée Générale ou du Conseil (en cas de déclaration d'acomptes sur distributions par le Conseil ou autrement), qu'une distribution doit être payée en Actions ou autres titres de la Société, le Conseil d'Administration peut exclure de cette offre les Actionnaires qu'il juge nécessaire ou approprié eu égard aux problèmes d'ordre pratique ou juridique dans un territoire ou pour toute autre raison que le Conseil peut déterminer (y compris les Limitations dues aux Lois sur les Communications).

23.6 Une distribution déclarée mais non versée (et non réclamée) sur une Action ne pourra plus être réclamée après cinq ans par le détenteur de cette Action et sera perdue pour celui-ci, et reviendra à la Société. Aucun intérêt ne sera versé sur des distributions déclarées et non réclamées qui sont détenues par la Société au nom de détenteurs d'Actions.

Art. 24. Liquidation.

24.1 Dans le cas où la Société est dissoute, pour quelque raison et à quelque moment que ce soit, la liquidation sera effectuée par des liquidateurs ou le Conseil d'Administration alors en fonction qui auront les pouvoirs prévus par les Articles 144 et suivants de la Loi sur les Sociétés. Une fois toutes les dettes, charges et dépenses de liquidation réglées, tout solde en résultant sera versé aux détenteurs d'Actions de la Société conformément aux dispositions des présents Statuts.

Art. 25. Actionnaire unique. Si, et aussi longtemps qu'un Actionnaire détient la totalité des Actions de la Société entre ses seules mains, la Société sera une société unipersonnelle au sens de la Loi sur les Sociétés. Si la Société n'a qu'un seul Actionnaire, la Société peut, au choix de l'Actionnaire unique, être administrée par un Administrateur tel que prévu par la loi et toutes les dispositions des présents Statuts se rapportant au Conseil d'Administration seront censées se référer à l'Administrateur unique (mutatis mutandis), qui aura tous les pouvoirs prescrits par la loi et ceux prévus dans les présents Statuts en rapport avec le Conseil d'Administration.

Art. 26. Définitions.

Affilié	Signifie pour toute Personne indiquée, toute autre Personne ayant le contrôle ou étant contrôlée directement ou indirectement par ou étant sous contrôle commun direct ou indirect avec cette Personne indiquée. Aux fins de la présente définition, «contrôle» (y compris, au sens large, les termes «ayant le contrôle», «contrôlée par» et «sous contrôle commun avec»), tel qu'employé à l'égard de toute Personne, signifie la détention, directement ou indirectement, du pouvoir d'orienter ou d'influer sur l'orientation de la gestion ou des politiques de cette Personne, que ce soit en raison des titres qu'il détient, par contrat ou autrement.
Valeur de Marché Applicable	Signifie la moyenne des Cours de Clôture par Action Ordinaire sur la période de quarante (40) Jours de Négociation consécutifs se terminant le troisième (3 ^e) Jour de Négociation précédant immédiatement la Date de Conversion Obligatoire.
Statuts	Signifie les présents statuts de la Société tels que modifiés de temps à autre.
Conseil ou Conseil d'Administration	Signifie le conseil d'administration de la Société.
Jour Ouvrable	Signifie n'importe quel jour autre qu'un samedi ou un dimanche ou un jour où les banques commerciales dans la Ville de New York, l'État de New York ou la Ville de Luxembourg ont l'autorisation ou l'obligation de fermer en vertu de la loi ou d'un décret.
Acquisition en Espèces	Sera considérée comme ayant eu lieu, après la Date d'Émission Préférentielle A, au moment: (i) de la réalisation d'une opération ou d'un événement (que ce soit par offre d'échange, liquidation, offre d'achat, consolidation, fusion, combinaison, recapitalisation ou autrement) en rapport avec lequel

90% ou plus des Actions Ordinaires sont échangées pour, converties en, acquises pour ou constituent uniquement le droit de recevoir une contrepartie dont 10% ou plus ne sont pas des actions ordinaires qui sont cotées sur, ou immédiatement après l'opération ou l'évènement seront cotées sur, une bourse nationale des États-Unis d'Amérique; ou (ii) où une «personne» ou un «groupe» (tel que ces termes sont employés aux fins des sections 13(d) et 14(d) de la Loi sur les Bourses, applicable ou non), autre que la Société, l'une de ses filiales détenues en majorité ou l'un des régimes d'avantages d'employés de la Société ou de ses filiales détenues en majorité, ou l'un des Porteurs Permis, est devenu le «bénéficiaire économique», directement ou indirectement, de plus de 50% de l'ensemble des droits de vote dans toutes les classes d'actions alors en circulation ayant le droit de voter de manière générale aux élections des administrateurs de la Société, ou (iii) nos Actions Ordinaires (ou toute Action Ordinaire, tout certificat représentatif d'action ou tout autre titre représentant des titres de participation ordinaires en lesquels les Actions Préférentielles A deviennent convertibles dans le cadre d'un Évènement de Restructuration) cessent (suite à l'admission à la Bourse de New York (New York Stock Exchange) en 2013) d'être négociées sur le New York Stock Exchange, le NASDAQ Global Select Market ou le NASDAQ Global Market (ou l'un de leurs successeurs respectifs) ou une autre bourse nationale des États-Unis d'Amérique.

Taux de Conversion d'Acquisition en Espèces Signifie le taux de conversion indiqué dans le tableau ci-dessous pour la Date Effective et le Cours d'Action applicable à toute Conversion d'Acquisition en Espèces ayant lieu à ou avant la Date de Conversion Obligatoire:

Art. 27. Droit applicable, For.

Date effective	Cours d'Action à la Date Effective					
	5,00	10,00	12,50	15,00	18,00	20,00
17 avril 2013	2,7297	2,6281	2,5428	2,4597	2,3780	2,3368
1 ^{er} mai 2014	2,7493	2,6952	2,6199	2,5295	2,4292	2,3759
1 ^{er} mai 2015	2,7639	2,7534	2,7120	2,6280	2,5000	2,4226
1 ^{er} mai 2016	2,7778	2,7778	2,7778	2,7778	2,7778	2,5000

Date effective	Cours d'Action à la Date Effective					
	22,05	25,00	30,00	40,00	50,00	60,00
17 avril 2013	2,3047	2,2729	2,2451	2,2313	2,2311	2,2321
1 ^{er} mai 2014	2,3340	2,2932	2,2596	2,2450	2,2445	2,2448
1 ^{er} mai 2015	2,3608	2,3044	2,2665	2,2564	2,2562	2,2562
1 ^{er} mai 2016	2,2676	2,2676	2,2676	2,2676	2,2676	2,2676

Si le Cours d'Action se situe entre deux Cours d'Action indiqués dans le tableau ci-dessus, ou si la Date Effective tombe entre deux Dates Effectives indiquées dans le tableau ci-dessus, le Taux de Conversion d'Acquisition en Espèces sera déterminé par interpolation linéaire entre les Taux de Conversion d'Acquisition en Espèces indiqués pour les Cours d'Action plus élevés et plus bas et les Dates Effectives antérieures ou ultérieures, le cas échéant, sur la base d'une année de 365 jours. Si le Cours d'Action est supérieur à soixante dollars américains (60,00 USD) par Action Ordinaire (sous réserve d'ajustement fait de la même manière que les ajustements sont faits au Cours d'Action conformément aux dispositions de l'Article 7.11.3.4, alors le Taux de Conversion d'Acquisition en Espèces sera le Taux de Conversion Minimum. Si le Cours d'Action est inférieur à cinq dollars américains (5,00 USD) par Action Ordinaire (sous réserve d'ajustement fait de la même manière que les ajustements faits au Cours d'Action conformément aux dispositions de l'Article 7.11.3.4, alors le Taux de Conversion d'Acquisition en Espèces sera le Taux de Conversion Maximum. Les Cours d'Action indiqués dans les titres de colonne du tableau ci-dessus peuvent faire l'objet d'un ajustement conformément aux dispositions de l'Article 7.11.3.4. Les taux de conversion indiqués dans le tableau ci-dessus peuvent tous faire l'objet d'un ajustement comme chaque Taux de Conversion Fixe tel qu'indiqué à l'Article 7.11.

Classe Signifie une classe ou série d'Actions de la Société, à savoir la série d'Actions Ordinaires et la série d'Actions Préférentielles A.

Cours de Clôture Signifie en ce qui concerne les Actions Ordinaires ou les titres distribués dans un Dividende de Scission, le cas échéant, à toute date de détermination:

(i) le cours de clôture ou, en l'absence de cours de clôture indiqué, le dernier prix de vente indiqué, des Actions Ordinaires ou d'autres titres sur le New York Stock Exchange ce jour-là; ou (ii) si les Actions Ordinaires ou les autres titres ne sont pas négociés sur le New York Stock Exchange, le cours de clôture à la date indiquée dans les opérations mixtes pour la principale bourse régionale ou nationale des États-Unis d'Amérique sur laquelle les Actions Ordinaires ou les autres titres sont ainsi négociés ou, en cas d'absence de cours de clôture indiqué, le dernier prix de vente indiqué des Actions Ordinaires ou des autres titres sur la principale bourse régionale ou nationale des

États-Unis d'Amérique sur laquelle les Actions Ordinaires ou les autres titres sont ainsi négociés ce jour-là; ou

(iii) si les Actions Ordinaires ou les autres titres ne sont pas négociés sur une bourse nationale des États-Unis d'Amérique ou régionale, le dernier prix d'achat cité ce jour-là pour les Actions Ordinaires ou les autres titres sur le marché de gré-à-gré tel qu'indiqué par Pink OTC Markets Inc. ou une organisation similaire; ou

(iv) si les Actions Ordinaires ou les autres titres ne sont pas cités par Pink OTC Markets Inc. ou une organisation similaire, le cours du marché des Actions Ordinaires ou des autres titres ce jour-là tel que fixé par une banque d'affaires indépendante reconnue au niveau national engagée par la Société à cette fin.

Aux fins des présents Statuts, toutes les références contenues dans les présentes faites au cours de clôture et au dernier prix de vente indiqué des Actions Ordinaires sur le New York Stock Exchange sera le cours de clôture et le dernier prix de vente indiqué tel qu'affiché sur le site Internet du New York Stock Exchange (www.nyse.com) et Bloomberg Professional Service: à condition qu'en cas de divergences entre le cours de clôture et le dernier prix de vente indiqué tel qu'affiché sur le site Internet du New York Stock Exchange et que publié par Bloomberg

Professional Service, le cours de clôture et le dernier prix de vente indiqué sur le site Internet du New York Stock Exchange prévalent.

Actionnaire Ordinaire Signifie tout porteur d'une ou plusieurs Action(s) Ordinaire(s) (en ce qui concerne ses Actions Ordinaires).

Actions Ordinaires Signifie les actions ordinaires de la Société assorties des droits et obligations énoncés dans les Statuts autres que les Actions Préférentielles A.

Lois sur les Communications Signifie la loi américaine de 1934 sur les Communications, telle que modifiée, la loi américaine de 1996 sur les Télécommunications, les règles, règlements ou politiques de la Commission Fédérale des Communications (Federal Communications Commission), et/ou les lois, règles, règlements ou politiques d'autres autorités, agences, commissions judiciaires ou autres organismes gouvernementaux ou de surveillance des États-Unis d'Amérique, de l'État fédéral, des États fédérés ou gouvernement ou autorité de régulation locale portant sur l'opération de canaux de communications radio et/ou la fourniture de services de communications.

Loi sur les Sociétés Signifie la loi du 10 août 1915 sur les sociétés commerciales telle que modifiée (et toute loi qui la remplace).

Cours Boursier Actuel Signifie par Action Ordinaire (ou, dans le cas de l'Article 7.11.1.4, par Action Ordinaire, les actions ou les titres de participation de la Société, selon le cas) n'importe quel jour, dans le but de fixer un ajustement du Taux de Conversion Fixe:

(i) pour les besoins d'ajustements en vertu de l'Article 7.11.1.2, l'Article 7.11.1.4 en cas d'ajustement ne se rapportant pas à un Dividende de Scission, et l'Article 7.11.1.5, la moyenne des Cours de Clôture des Actions Ordinaires sur la période de cinq (5) Jours de Négociation consécutifs se terminant le Jour de Négociation précédant immédiatement l'Ex Date en ce qui concerne l'émission ou la distribution nécessitant ledit calcul;

(ii) pour les besoins d'ajustements en vertu de l'Article 7.11.1.4 en cas d'ajustement se rapportant à un Dividende de Scission, la moyenne des Cours de Clôture des Actions Ordinaires, des actions ou des titres de participation de la Société, selon le cas, sur les dix premiers Jours de Négociation consécutifs à partir du cinquième (5^e) Jour de Négociation (inclus) suivant immédiatement la date effective de cette distribution; et

(iii) pour les besoins d'ajustements en vertu de l'Article 7.11.1.6, la moyenne des Cours de Clôture des Actions Ordinaires sur la Période de cinq (5) Jours de Négociation consécutifs se terminant le septième Jour de Négociation suivant la Date d'Expiration de l'offre d'achat ou de l'offre d'échange en question.

Administrateur Signifie un membre du Conseil d'Administration ou, le cas échéant, l'Administrateur unique de la Société.

dividende ou distribution Signifie tout dividende ou toute autre distribution, que ce soit sur des bénéfices, primes ou toutes autres réserves disponibles.

Date de Paiement des Dividendes Signifie (sous réserve de la déclaration pertinente faite) le 1^{er} février, 1^{er} mai, 1^{er} août et le 1^{er} novembre de chaque année, à compter du 1^{er} août 2013 jusque la Date de Conversion Obligatoire (inclusive).

Période des Dividendes Signifie la période à compter d'une Date de Paiement de Dividendes (inclusive) à la Date de Paiement de Dividendes suivante (non inclusive), à l'exception de la première Période des

Dividendes qui commencera à la Date d'Émission Préférentielle A (incluse) et se terminera le 1^{er} août 2013 (exclu).

DTC	Signifie the Depository Trust Corporation ou tout établissement ou dépositaire similaire utilisé pour le règlement d'opérations dans les Actions Préférentielles A.
Loi sur les Bourses	Signifie la loi américaine de 1934, telle que modifiée, sur les bourses de valeurs mobilières (Securities Exchange Act), ainsi que les règles et règlements qui en découlent.
Ex Date	Signifie, lorsqu'employée en rapport avec une émission ou une distribution, la première date à laquelle des Actions Ordinaires sont négociées sans le droit de recevoir cette émission ou distribution.
Juste Valeur de Marché	Signifie la juste valeur de marché telle que fixée de bonne foi par le Conseil d'Administration, dont la fixation sera définitive.
Taux de Conversion Fixes	Signifie le Taux de Conversion Maximum et le Taux de Conversion Minimum.
Assemblée Générale	Signifie l'assemblée générale des Actionnaires.
Actions de Second Rang	Signifie (i) les Actions Ordinaires et (ii) toute autre classe ou série d'actions ou série d'actions préférentielles établies après la Date d'Émission Préférentielle A, dont les conditions ne prévoient pas expressément que cette classe ou série soit prioritaire sur les Actions Préférentielles A ou se classe au même rang que celles-ci en ce qui concerne les droits de distribution ou dividende ou droits en cas de liquidation ou dissolution de la Société.
Préférence de Liquidation	Signifie, en ce qui concerne les Actions Préférentielles A, 50,00 USD par Action Préférentielle A.
Groupe de Gestion	Signifie le groupe des directeurs, dirigeants et autres membres du personnel de gestion de la Société à la Date d'Émission Préférentielle A.
Date de Conversion Obligatoire	Signifie le 1 ^{er} mai 2016.
Certificat de Dirigeant	Signifie une attestation de la Société, signée par l'un des Directeur Général, Directeur Financier, Président, Président-Directeur Général, Vice-Président, Trésorier ou Secrétaire de la Société dûment autorisé à agir à cet effet.
Certificat de Dirigeant en circulation	Signifie une attestation de la Société, signée par l'un des Directeur Général, Directeur Financier, Président, Président-Directeur Général, Vice-Président, Trésorier ou Secrétaire de la Société dûment autorisé à agir à cet effet.
Actions de Même Rang	Signifie en ce qui concerne les Actions, les Actions qui sont émises et non détenues par la Société ou une filiale de la Société en tant qu'actions propres en trésorerie.
Porteurs Permis	Signifie toute classe ou série d'actions ou toute classe ou série d'actions préférentielles établie après la Date d'Émission Préférentielle A, dont les conditions prévoient expressément que cette classe ou série se classe au même rang que les Actions Préférentielles A en ce qui concerne les droits de dividende ou de distribution ou les droits en cas liquidation ou dissolution de la Société.
Personne	Signifie, à tout moment, (i) les Promoteurs, (ii) le Groupe de Gestion et (iii) tout groupe (au sens de la Section 13(d)(3) ou de la Section 14(d)(2) de la Loi sur les Bourses, ou toute disposition la remplaçant) dont les membres comprennent l'un des Porteurs Permis indiqués dans les clauses (i) et/ou (ii) ci-dessus, et détiennent ou acquièrent (directement ou indirectement) la propriété économique des actions de la Société ayant le droit de voter aux élections de nos administrateurs (un «Groupe de Porteurs Permis»), tant qu'aucune Personne ou aucun autre «groupe» (autre que les Porteurs Permis indiqués dans les clauses (i) et (ii) cidessus) n'est le bénéficiaire économique de plus de 50% sur une base entièrement diluée des actions de la Société ayant le droit de voter aux élections de nos administrateurs détenues par ce Groupe de Porteurs Permis.
Date d'Émission Préférentielle A	Signifie tout individu, toute société de personnes, entreprise, société, société à responsabilité limitée, société fiduciaire, société par actions, fiducie, association sans personnalité morale, coentreprise, autorité gouvernementale ou autre entité de quelque nature que ce soit.
Date d'Inscription Préférentielle A	Signifie le 23 avril 2013, la toute première date d'émission des Actions Préférentielles A
Porteurs d'Inscription Préférentielle A	Signifie le 15 janvier, le 15 avril, le 15 juillet et le 15 octobre précédant immédiatement la Date de Paiement de Dividendes le 1 ^{er} février, le 1 ^{er} mai, le 1 ^{er} août et le 1 ^{er} novembre, respectivement. Ces Dates d'Inscription Préférentielle A s'appliqueront qu'une Date d'Inscription Préférentielle A spécifique soit un Jour Ouvrable ou non.
Actionnaire Préférentiel A	Signifie un porteur d'Actions Préférentielles A inscrit à 17h00, heure de New York, à une Date d'Inscription Préférentielle A.
Actions Préférentielles A	Signifie tout porteur d'une ou plusieurs Actions Préférentielles A (en ce qui concerne ses Actions Préférentielles A).
Loi RCS	Signifie les actions préférentielles junior sans droit de vote et convertibles obligatoirement en actions ordinaires de série A de la Société, assorties des droits et obligations énoncés dans les Statuts.
	Signifie la loi du 19 décembre 2002 concernant le registre de commerce et des sociétés ainsi que

la comptabilité et les comptes annuels des entreprises.

Marché Réglementé	Signifie toute bourse ou tout marché de titres officiels de l'Union Européenne, des États-Unis d'Amérique ou d'ailleurs
Règle 14a-8	Signifie la Règle 14a-8 de la Loi sur les Bourses et toute règle de remplacement promulguée en vertu de celle-ci.
SEC	Signifie la Commission boursière des États-Unis d'Amérique (Securities and Exchange Commission).
Actions de Premier Rang réservé	Signifie chaque classe ou série d'actions ou série d'actions préférentielles établie après la Date d'Émission Préférentielle A, dont les conditions prévoient expressément que cette classe ou série est prioritaire par rapport aux Actions Préférentielles A en ce qui concerne les droits de dividende ou distribution ou les droits en cas de liquidation ou dissolution de la Société.
Montant de Dilution des Actions	Signifie l'augmentation du nombre d'actions diluées en circulation (déterminé conformément aux principes comptables généralement admis aux États-Unis, et tel que mesuré à compter de la Date d'Émission Préférentielle A) découlant de l'octroi, de l'acquisition ou de l'exercice de rémunération en actions des employés et ajustée de manière équitable pour toute division d'action, dividende en actions, regroupement d'actions, reclassification ou opération similaire.
Cours d'Action	Signifie le montant versé par Action Ordinaire dans le cadre d'une Acquisition en Espèces. Si la contrepartie n'est composée que d'espèces, le Cours d'Action sera égal au montant payé en espèces par Action Ordinaire. Si la contrepartie est composée, en tout ou partie, d'un bien autre que des espèces, le Cours d'Action sera égal au VWAP moyen par Action Ordinaire sur la période de dix (10) Jours de Négociation consécutifs se terminant le Jour de Négociation précédant la Date Effective.
Actionnaire	Signifie, sous réserve des Statuts, toute personne dûment inscrite comme détenteur d'une ou plusieurs Action(s) de la Société.
Actions	Signifie les actions de la Société, indépendamment de la classe ou de la série.
Document d'Enregistrement de Base	Signifie un document d'enregistrement de base (Shelf Registration Statèment) déposée auprès de la SEC dans le cadre de l'émission ou de la revente d'Actions Ordinaires émises en tant que paiement d'un Dividende Préférentiel, y compris des Dividendes Préférentiels payés dans le cadre d'une conversion.
Dividende de Scission	Signifie un dividende ou une distribution versée à tous les porteurs d'Actions Ordinaires composée d'actions de, ou de titres de participation similaires dans, ou relatives à une filiale ou autre unité commerciale de la Société.
Promoteurs	Signifie (1) un ou plusieurs fonds d'investissement conseillés, gérés ou contrôlés par BC Partners Holdings Limited ou tout Affilié de celle-ci, (2) un ou plusieurs fonds d'investissement conseillés, gérés ou contrôlés par Silver Lake ou tout Affilié de celle-ci et (3) un ou plusieurs fonds d'investissement conseillés, gérés ou contrôlés par l'une des Personnes décrites aux points (1) et (2) de la présente définition, et, dans tous les cas, (que ce soit de manière individuelle ou collective) leurs Affiliés.
Jours de Négociation	Signifie les jours où: (a) la négociation des Actions Ordinaires n'est pas suspendue sur un marché ou une association gestionnaire national(e) des États- Unis d'Amérique ou régional(e) de titres ou de gré à gré à la clôture des cours; et (b) les Actions Ordinaires se sont négociées au moins une fois sur le marché ou une association gestionnaire national(e) des États-Unis d'Amérique ou régional(e) de titres ou de gré à gré, qui est le principal marché de négociation des Actions Ordinaires.
«VWAP»	Signifie par Action Ordinaire, chaque Jour de Négociation, le cours moyen pondéré en fonction du volume par Action Ordinaire tel qu'affiché sur Bloomberg page «IAQR» (ou son équivalent si cette page n'est pas disponible) se rapportant à la période de 9h30 à 16h00, heure de la ville de New York, ledit Jour de Négociation; ou, si ce cours n'est pas disponible, «VWAP» signifie la valeur de marché par Action Ordinaire ce Jour de Négociation-là tel que fixé par une banque d'affaires indépendante reconnue au niveau national et engagée par la Société à cet effet. Le «VWAP moyen» signifie la moyenne du «VWAP» pour chaque Jour de Négociation de la période concernée.

27.1 Pour toutes les matières qui ne sont pas régies expressément par les présents Statuts, les Actionnaires se réfèrent à la législation en vigueur.

27.2 Les cours et tribunaux luxembourgeois compétentes seront les seuls et uniques fors pour (i) toute action ou instance oblique intentée au nom de la Société, (ii) toute action faisant valoir une prétention de manquement à un devoir dans le chef

d'un administrateur ou d'un fondé de pouvoir de la Société envers la Société ou les Actionnaires de celle-ci, (iii) toute action faisant valoir une prétention contre la Société en vertu d'une disposition de la Loi sur les Sociétés et de la Loi RCS ou des Statuts de la Société, et (iv) toute action faisant valoir une revendication contre la Société en ce qui concerne ses affaires internes, ses rapports avec ses Actionnaires ou autres détenteurs d'intérêts, ses administrateurs, ses fondés de pouvoir, ou toute action portant sur les Statuts ou autres documents constitutifs ou applicables.

Pour la société,

Maître Edouard DELOSCH, Notaire, agissant en remplacement de

M^e Cosita DELVAUX, Notaire, sur base d'un mandat verbal.

SUPPLEMENTAL INDENTURE NO. 1

SUPPLEMENTAL INDENTURE NO. 1 (this “Supplemental Indenture”) dated as of June 29, 2018, by and among INTELSAT JACKSON HOLDINGS S.A. (or its successor), a *société anonyme* existing under the laws of Luxembourg (the “Issuer”), INTELSAT GENESIS INC., a Delaware corporation and subsidiary of the Issuer, (the “New Guarantor”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as trustee under the Indenture referred to below (the “Trustee”).

WITNESSETH:

WHEREAS, the Issuer and the existing Guarantors have heretofore executed and delivered to the Trustee an indenture, dated as of July 5, 2017 (as amended, supplemented or otherwise modified prior to the date hereof, the “Indenture”), providing for the issuance of the Issuer’s 9.75% Senior Notes due 2025 (the “Notes”), initially in the aggregate principal amount of \$1,500,000,000.00;

WHEREAS, The New Guarantor desires to unconditionally guarantee all the Issuer’s obligations under the Notes pursuant to a Guarantee on the terms and conditions set forth herein; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee and the Issuer are authorized to execute one or more supplemental indentures, including this Supplemental Indenture, to add Guarantors with respect to the Notes;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantor, the Issuer and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined, except that the term “Holders” in this Supplemental Indenture shall refer to the term “Holders” as defined in the Indenture and the Trustee acting on behalf of and for the benefit of such Holders. The words “herein,” “hereof,” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.
2. Agreement to Guarantee. The New Guarantor hereby agrees, jointly and severally with all existing Guarantors (if any), to unconditionally guarantee the Issuer’s obligations under the Notes on the terms and subject to the conditions set forth in Article 10 of the Indenture as a Guarantor and to be bound by all other applicable provisions of the Indenture and the Notes as applying to a Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.
3. Notices. All notices or other communications to the New Guarantor shall be given as provided in Section 11.02 of the Indenture; *provided* that copies of notices to the Issuer or a Guarantor need not be provided to Milbank, Tweed, Hadley & McCloy LLP, but shall instead be provided to:

Skadden, Arps, Slate Meagher & Flom LLP
Four Times Square
New York, New York 10036-6522
Attention: Eric. L. Cochran, Esq.
 Stacy J. Kanter, Esq.

4. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.
5. Governing Law. **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. THE APPLICATION TO THE NOTES OF THE PROVISIONS SET OUT IN ARTICLES 84 TO 94-8 OF THE LUXEMBOURG LAW ON COMMERCIAL COMPANIES DATED AUGUST 10, 1915, AS AMENDED, IS EXCLUDED.**
6. Trustee Makes No Representation. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture.
7. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Supplemental Indenture. One signed copy is enough to prove this Supplemental Indenture. Notwithstanding the foregoing, the exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture and signature pages for all purposes.

8. Effect of Headings. The Section headings of this Supplemental Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to be duly executed as of the date first written above.

INTELSAT GENESIS INC.

By: /s/Sajid Ajmeri
Name: Sajid Ajmeri

Title: Vice President, Corporate & Securities &
Assistant Secretary

INTELSAT JACKSON HOLDINGS S.A.

By: /s/Franz Russ
Name: Franz Russ

Title: Chairman & Chief Executive Officer

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: /s/Richard Prokosch
Name: Richard Prokosch
Title: Vice President

SUPPLEMENTAL INDENTURE NO. 2

SUPPLEMENTAL INDENTURE NO. 2 (this “Supplemental Indenture”) dated as of July 2, 2018, by and among INTELSAT JACKSON HOLDINGS S.A. (or its successor), a *société anonyme* existing under the laws of Luxembourg (the “Issuer”), INTELSAT ALLIANCE LP, a Delaware limited partnership and subsidiary of the Issuer, INTELSAT GENESIS GP LLC, a Delaware limited liability company and subsidiary of Intelsat Genesis Inc., a Delaware corporation, and INTELSAT VENTURES S.À.R.L., a *société à responsabilité limitée* existing under the law of Luxembourg and subsidiary of Intelsat Alliance LP (collectively, the “New Guarantors”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as trustee under the Indenture referred to below (the “Trustee”).

WITNESSETH:

WHEREAS, the Issuer and the existing Guarantors have heretofore executed and delivered to the Trustee an indenture, dated as of July 5, 2017 (as amended, supplemented or otherwise modified prior to the date hereof, the “Indenture”), providing for the issuance of the Issuer’s 9.75% Senior Notes due 2025 (the “Notes”), initially in the aggregate principal amount of \$1,500,000,000.00;

WHEREAS, Each of the New Guarantors desires to unconditionally guarantee all the Issuer’s obligations under the Notes pursuant to a Guarantee on the terms and conditions set forth herein; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee and the Issuer are authorized to execute one or more supplemental indentures, including this Supplemental Indenture, to add Guarantors with respect to the Notes;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantors, the Issuer and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined, except that the term “Holders” in this Supplemental Indenture shall refer to the term “Holders” as defined in the Indenture and the Trustee acting on behalf of and for the benefit of such Holders. The words “herein,” “hereof,” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

2. Agreement to Guarantee. Each of the New Guarantors hereby agrees, jointly and severally with all existing Guarantors (if any), to unconditionally guarantee the Issuer’s obligations under the Notes on the terms and subject to the conditions set forth in Article 10 of the Indenture as a Guarantor and to be bound by all other applicable provisions of the Indenture and the Notes as applying to a Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.

3. Notices. All notices or other communications to the New Guarantor shall be given as provided in Section 11.02 of the Indenture; *provided* that copies of notices to the Issuer or a Guarantor need not be provided to Milbank, Tweed, Hadley & McCloy LLP, but shall instead be provided to:

Skadden, Arps, Slate Meagher & Flom LLP
Four Times Square
New York, New York 10036-6522
Attention: Eric L. Cochran, Esq.
Stacy J. Kanter, Esq.

4. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

5. Governing Law. **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. THE APPLICATION TO THE NOTES OF THE PROVISIONS SET OUT IN ARTICLES 84 TO 94-8 OF THE LUXEMBOURG LAW ON COMMERCIAL COMPANIES DATED AUGUST 10, 1915, AS AMENDED, IS EXCLUDED.**

6. Trustee Makes No Representation. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture.

7. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Supplemental Indenture. One signed copy is

enough to prove this Supplemental Indenture. Notwithstanding the foregoing, the exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture and signature pages for all purposes.

8. Effect of Headings. The Section headings of this Supplemental Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to be duly executed as of the date first written above.

INTELSAT GENESIS GP LLC, as
General Partner of Intelsat Alliance LP

By: /s/Sajid Ajmeri

Name: Sajid Ajmeri

Title: Vice President,

Corporate & Securities & Assistant Secretary

INTELSAT VENTURES S.À R.L.

By: /s/Franz Russ

Name: Franz Russ

Title: Chairman and chief Executive

Officer

INTELSAT JACKSON HOLDINGS S.A.

By: /s/Franz Russ Name: Franz Russ

Title: Chairman & Chief Executive Officer

INTELST GENESIS GP LLC

By: /s/Sajid Ajmeri

Name: Sajid Ajmeri

Title: Vice President, Corporate & Securities & Assistant Secretary

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: /s/Richard Prokosch

Name: Richard Prokosch

Title: Vice President

SUPPLEMENTAL INDENTURE NO. 2

SUPPLEMENTAL INDENTURE NO. 2 (this “Supplemental Indenture”), dated as of June 29, 2018, among INTELSAT JACKSON HOLDINGS S.A. (or its successor), a *société anonyme* existing under the laws of Luxembourg (the “Issuer”), INTELSAT GENESIS INC., a Delaware corporation and subsidiary of the Issuer, (the “New Guarantor”), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association, as trustee under the indenture referred to below (the “Trustee”).

WITNESSETH:

WHEREAS the Issuer and the existing Guarantors have heretofore executed and delivered to the Trustee an Indenture (as amended, supplemented or otherwise modified, the “Indenture”), dated as of June 30, 2016, providing for the issuance of the Issuer’s 9.50% Senior Secured Notes due 2022 (the “Notes”), initially in the aggregate principal amount of \$490,000,000.00;

WHEREAS Section 4.11 of the Indenture provides that under certain circumstances the Issuer is required to cause the New Guarantor to execute and deliver to the Trustee a supplemental indenture pursuant to which the New Guarantor shall unconditionally guarantee all the Issuer’s obligations under the Notes pursuant to a Guarantee on the terms and conditions set forth herein; and

WHEREAS pursuant to Section 9.01 of the Indenture, the Trustee and the Issuer are authorized to execute and deliver this Supplemental Indenture without notice to or consent of any Holder;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantor, the Issuer, and the Trustee mutually covenant and agree for the equal and ratable benefit of the holders of the Notes as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined, except that the term “Holders” in this Supplemental Indenture shall refer to the term “Holders” as defined in the Indenture and the Trustee acting on behalf of and for the benefit of such Holders. The words “herein,” “hereof” and hereby and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

2. Agreement to Guarantee. The New Guarantor hereby agrees, jointly and severally with all existing Guarantors (if any), to unconditionally guarantee the Issuer’s obligations under the Notes on the terms and subject to the conditions set forth in Article 10 of the Indenture and to be bound by all other applicable provisions of the Indenture and the Notes applying to a Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.

3. Notices. All notices or other communications to the New Guarantor shall be given as provided in Section 12.02 of the Indenture; *provided that* copies of notices to the Issuer or a Guarantor need not be provided to Paul, Weiss, Rifkind, Wharton & Garrison LLP, but shall instead be provided to:

Skadden, Arps, Slate Meagher & Flom LLP
Four Times Square
New York, New York 10036-6522
Attention: Eric L. Cochran, Esq.
Stacy J. Kanter, Esq.

4. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

5. Governing Law. **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, AND FOR THE AVOIDANCE OF DOUBT, THE APPLICABILITY OF ARTICLE 86 TO 94-8 OF THE AMENDED LUXEMBOURG LAW ON COMMERCIAL COMPANIES SHALL BE EXCLUDED.**

6. Trustee Makes No Representation. The Trustee accepts the amendments of the Indenture and the Security Documents effected by this Supplemental Indenture on the terms and conditions set forth in the Indenture and Security Documents, including the terms and provisions defining and limiting the liabilities and responsibilities of the Trustee. Without limiting the generality of the foregoing, the Trustee shall not be responsible in any manner whatsoever for or with respect to any of the recitals or statements contained herein, all of which recitals or statements are made solely by the Issuer.

7. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Supplemental Indenture. Notwithstanding the foregoing, the exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture and signature pages for all purposes.

8. Effect of Headings. The Section headings herein are for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms of provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

INTELSAT GENESIS INC.

By: /s/Sajid Ajmeri
Name: Sajid Ajmeri
Title: Vice President, Corporate & Securities & Assistant Secretary

INTELSAT JACKSON HOLDINGS S.A.

By: /s/Franz Russ
Name: Franz Russ
Title: Chairman and Chief Executive Officer

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee

By: /s/Lynn M. Steiner
Name: Lynn M. Steiner
Title: Vice President

SUPPLEMENTAL INDENTURE NO. 3

SUPPLEMENTAL INDENTURE NO. 3 (this “Supplemental Indenture”), dated as of July 2, 2018, among INTELSAT JACKSON HOLDINGS S.A. (or its successor), a *société anonyme* existing under the laws of Luxembourg (the “Issuer”), INTELSAT ALLIANCE LP, a Delaware limited partnership and subsidiary of the Issuer, INTELSAT GENESIS GP LLC, a Delaware limited liability company and subsidiary of Intelsat Genesis Inc., a Delaware corporation, and INTELSAT VENTURES S.À.R.L., a *société à responsabilité limitée* existing under the law of Luxembourg and subsidiary of Intelsat Alliance LP (collectively, the “New Guarantors”), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association, as trustee under the indenture referred to below (the “Trustee”).

WITNESSETH:

WHEREAS the Issuer and the existing Guarantors have heretofore executed and delivered to the Trustee an Indenture (as amended, supplemented or otherwise modified, the “Indenture”), dated as of June 30, 2016, providing for the issuance of the Issuer’s 9.50% Senior Secured Notes due 2022 (the “Notes”), initially in the aggregate principal amount of \$490,000,000.00;

WHEREAS Section 4.11 of the Indenture provides that under certain circumstances the Issuer is required to cause each of the New Guarantors to execute and deliver to the Trustee a supplemental indenture pursuant to which the New Guarantors shall unconditionally guarantee all the Issuer’s obligations under the Notes pursuant to a Guarantee on the terms and conditions set forth herein; and

WHEREAS pursuant to Section 9.01 of the Indenture, the Trustee and the Issuer are authorized to execute and deliver this Supplemental Indenture without notice to or consent of any Holder;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, each of the New Guarantors, the Issuer, and the Trustee mutually covenant and agree for the equal and ratable benefit of the holders of the Notes as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined, except that the term “Holders” in this Supplemental Indenture shall refer to the term “Holders” as defined in the Indenture and the Trustee acting on behalf of and for the benefit of such Holders. The words “herein,” “hereof” and hereby and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

2. Agreement to Guarantee. Each of the New Guarantors hereby agrees, jointly and severally with all existing Guarantors (if any), to unconditionally guarantee the Issuer’s obligations under the Notes on the terms and subject to the conditions set forth in Article 10 of the Indenture and to be bound by all other applicable provisions of the Indenture and the Notes applying to a Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.

3. Notices. All notices or other communications to the New Guarantors shall be given as provided in Section 12.02 of the Indenture; *provided* that copies of notices to the Issuer or a Guarantor need not be provided to Paul, Weiss, Rifkind, Wharton & Garrison LLP, but shall instead be provided to:

Skadden, Arps, Slate Meagher & Flom LLP
Four Times Square
New York, New York 10036-6522
Attention: Eric. L. Cochran, Esq.
Stacy J. Kanter, Esq.

4. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

5. Governing Law. **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, AND FOR THE AVOIDANCE OF DOUBT, THE APPLICABILITY OF ARTICLE 86 TO 94-8 OF THE AMENDED LUXEMBOURG LAW ON COMMERCIAL COMPANIES SHALL BE EXCLUDED.**

6. Trustee Makes No Representation. The Trustee accepts the amendments of the Indenture and the Security Documents effected by this Supplemental Indenture on the terms and conditions set forth in the Indenture and Security Documents, including the terms and provisions defining and limiting the liabilities and

responsibilities of the Trustee. Without limiting the generality of the foregoing, the Trustee shall not be responsible in any manner whatsoever for or with respect to any of the recitals or statements contained herein, all of which recitals or statements are made solely by the Issuer.

7. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Supplemental Indenture. Notwithstanding the foregoing, the exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture and signature pages for all purposes.

8. Effect of Headings. The Section headings herein are for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms of provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

INTELSAT GENESIS GP LLC, as General Partner of Intelsat Alliance LP

By: /s/Sajid Ajmeri
Name: Sajid Ajmeri

Title: Vice President, Corporate & Securities &
Assistant Secretary

INTELSAT GENESIS GP LLC

By: /s/Sajid Ajmeri
Name: Sajid Ajmeri

Vice President, Corporate & Securities & Assistant Secretary

Title:

INTELSAT VENTURES S.À R.L.

By: /s/Franz Russ
Name: Franz Russ

Title: Chairman and Chief Executive Officer

INTELSAT JACKSON HOLDINGS S.A.

By: /s/Franz Russ
Name: Franz Russ
Title: Chairman & Chief Executive Officer

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee

By: /s/Lynn M. Steiner
Name: Lynn M. Steiner

SUPPLEMENTAL INDENTURE NO. 2

SUPPLEMENTAL INDENTURE NO. 2 (this “Supplemental Indenture”), dated as of June 29, 2018, among INTELSAT JACKSON HOLDINGS S.A. (or its successor), a *société anonyme* existing under the laws of Luxembourg (the “Issuer”), INTELSAT GENESIS INC., a Delaware corporation and subsidiary of the Issuer, (the “New Guarantor”), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association, as trustee under the indenture referred to below (the “Trustee”).

WITNESSETH:

WHEREAS the Issuer and the existing Guarantors have heretofore executed and delivered to the Trustee an Indenture (as amended, supplemented or otherwise modified, the “Indenture”), dated as of March 29, 2016, providing for the issuance of the Issuer’s 8.00% Senior Secured Notes due 2024 (the “Notes”), initially in the aggregate principal amount of \$1,250,000,000;

WHEREAS Section 4.11 of the Indenture provides that under certain circumstances the Issuer is required to cause the New Guarantor to execute and deliver to the Trustee a supplemental indenture pursuant to which the New Guarantor shall unconditionally guarantee all the Issuer’s obligations under the Notes pursuant to a Guarantee on the terms and conditions set forth herein; and

WHEREAS pursuant to Section 9.01 of the Indenture, the Trustee and the Issuer are authorized to execute and deliver this Supplemental Indenture without notice to or consent of any Holder;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantor, the Issuer, and the Trustee mutually covenant and agree for the equal and ratable benefit of the holders of the Notes as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined, except that the term “Holders” in this Supplemental Indenture shall refer to the term “Holders” as defined in the Indenture and the Trustee acting on behalf of and for the benefit of such Holders. The words “herein,” “hereof” and hereby and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

2. Agreement to Guarantee. The New Guarantor hereby agrees, jointly and severally with all existing Guarantors (if any), to unconditionally guarantee the Issuer’s obligations under the Notes on the terms and subject to the conditions set forth in Article 10 of the Indenture and to be bound by all other applicable provisions of the Indenture and the Notes applying to a Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.

3. Notices. All notices or other communications to the New Guarantor shall be given as provided in Section 12.02 of the Indenture; *provided that* copies of notices to the Issuer or a Guarantor need not be provided to Paul, Weiss, Rifkind, Wharton & Garrison LLP, but shall instead be provided to:

Skadden, Arps, Slate Meagher & Flom LLP
Four Times Square
New York, New York 10036-6522
Attention: Eric L. Cochran, Esq.
Stacy J. Kanter, Esq.

4. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

5. Governing Law. **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, AND FOR THE AVOIDANCE OF DOUBT, THE APPLICABILITY OF ARTICLE 86 TO 94-8 OF THE AMENDED LUXEMBOURG LAW ON COMMERCIAL COMPANIES SHALL BE EXCLUDED.**

6. Trustee Makes No Representation. The Trustee accepts the amendments of the Indenture and the Security Documents effected by this Supplemental Indenture on the terms and conditions set forth in the Indenture and Security Documents, including the terms and provisions defining and limiting the liabilities and responsibilities of the Trustee. Without limiting the generality of the foregoing, the Trustee shall not be responsible in any manner whatsoever for or with respect to any of the recitals or statements contained herein, all of which recitals or statements are made solely by the Issuer.

7. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Supplemental Indenture. Notwithstanding the foregoing, the exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture and signature pages for all purposes.

8. Effect of Headings. The Section headings herein are for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms of provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

INTELSAT GENESIS INC.

By: /s/Sajid Ajmeri
Name: Sajid Ajmeri
Title: Vice President, Corporate & Securities & Assistant Secretary

INTELSAT JACKSON HOLDINGS S.A.

By: /s/ Franz Russ
Name: Franz Russ
Title: Chairman and Chief Executive Officer

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee

By: /s/Lynn M. Steiner
Name: Lynn M. Steiner
Title: Vice President

SUPPLEMENTAL INDENTURE NO. 3

SUPPLEMENTAL INDENTURE NO. 3 (this “Supplemental Indenture”), dated as of July 2, 2018, among INTELSAT JACKSON HOLDINGS S.A. (or its successor), a *société anonyme* existing under the laws of Luxembourg (the “Issuer”), INTELSAT ALLIANCE LP, a Delaware limited partnership and subsidiary of the Issuer, INTELSAT GENESIS GP LLC, a Delaware limited liability company and subsidiary of Intelsat Genesis Inc., a Delaware corporation, and INTELSAT VENTURES S.À.R.L., a *société à responsabilité limitée* existing under the law of Luxembourg and subsidiary of Intelsat Alliance LP (collectively, the “New Guarantors”), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association, as trustee under the indenture referred to below (the “Trustee”).

WITNESSETH:

WHEREAS the Issuer and the existing Guarantors have heretofore executed and delivered to the Trustee an Indenture (as amended, supplemented or otherwise modified, the “Indenture”), dated as of March 29, 2016, providing for the issuance of the Issuer’s 8.00% Senior Secured Notes due 2024 (the “Notes”), initially in the aggregate principal amount of \$1,250,000,000;

WHEREAS Section 4.11 of the Indenture provides that under certain circumstances the Issuer is required to cause each of the New Guarantors to execute and deliver to the Trustee a supplemental indenture pursuant to which the New Guarantors shall unconditionally guarantee all the Issuer’s obligations under the Notes pursuant to a Guarantee on the terms and conditions set forth herein; and

WHEREAS pursuant to Section 9.01 of the Indenture, the Trustee and the Issuer are authorized to execute and deliver this Supplemental Indenture without notice to or consent of any Holder;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, each of the New Guarantors, the Issuer, and the Trustee mutually covenant and agree for the equal and ratable benefit of the holders of the Notes as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined, except that the term “Holders” in this Supplemental Indenture shall refer to the term “Holders” as defined in the Indenture and the Trustee acting on behalf of and for the benefit of such Holders. The words “herein,” “hereof” and hereby and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.
2. Agreement to Guarantee. Each of the New Guarantors hereby agrees, jointly and severally with all existing Guarantors (if any), to unconditionally guarantee the Issuer’s obligations under the Notes on the terms and subject to the conditions set forth in Article 10 of the Indenture and to be bound by all other applicable provisions of the Indenture and the Notes applying to a Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.
3. Notices. All notices or other communications to the New Guarantors shall be given as provided in Section 12.02 of the Indenture; *provided* that copies of notices to the Issuer or a Guarantor need not be provided to Paul, Weiss, Rifkind, Wharton & Garrison LLP, but shall instead be provided to:

Skadden, Arps, Slate Meagher & Flom LLP
Four Times Square
New York, New York 10036-6522
Attention: Eric. L. Cochran, Esq.
Stacy J. Kanter, Esq.
4. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

5. Governing Law. **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, AND FOR THE AVOIDANCE OF DOUBT, THE APPLICABILITY OF ARTICLE 86 TO 94-8 OF THE AMENDED LUXEMBOURG LAW ON COMMERCIAL COMPANIES SHALL BE EXCLUDED.**

6. Trustee Makes No Representation. The Trustee accepts the amendments of the Indenture and the Security Documents effected by this Supplemental Indenture on the terms and conditions set forth in the Indenture and Security Documents, including the terms and provisions defining and limiting the liabilities and

responsibilities of the Trustee. Without limiting the generality of the foregoing, the Trustee shall not be responsible in any manner whatsoever for or with respect to any of the recitals or statements contained herein, all of which recitals or statements are made solely by the Issuer.

7. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Supplemental Indenture. Notwithstanding the foregoing, the exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture and signature pages for all purposes.

8. Effect of Headings. The Section headings herein are for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms of provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

INTELSAT GENESIS GP LLC, as General Partner of Intelsat Alliance LP

By: /s/Sajid Ajmeri

Name: Sajid Ajmeri

Title: Vice President, Corporate & Securities & Assistant Secretary

INTELSAT GENESIS GP LLC

By: /s/Sajid Ajmeri

Name: Sajid Ajmeri

Title: Vice President, Corporate & Securities & Assistant Secretary

INTELSAT VENTURES S.À R.L.

By: /s/Franz Russ

Name: Franz Russ

Title: Chairman and Chief Executive Officer

INTELSAT JACKSON HOLDINGS S.A.

By: /s/Franz Russ

Name: Franz Russ

Title: Chairman & Chief Executive Officer

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee

By: /s/Lynn M. Steiner

Name: Lynn M. Steiner

Title: Vice President

SUPPLEMENTAL INDENTURE NO. 4

SUPPLEMENTAL INDENTURE NO. 4 (this “Supplemental Indenture”) dated as of June 29, 2018, by and among INTELSAT JACKSON HOLDINGS S.A. (or its successor), a *société anonyme* existing under the laws of Luxembourg (the “Issuer”), INTELSAT GENESIS INC., a Delaware corporation and subsidiary of the Issuer, (the “New Guarantor”), and U.S. BANK, NATIONAL ASSOCIATION, a national banking association, as trustee under the Indenture referred to below (the “Trustee”).

WITNESSETH:

WHEREAS, the Issuer and the existing Guarantors have heretofore executed and delivered to the Trustee an indenture, dated as of June 5, 2013 (as amended, supplemented or otherwise modified prior to the date hereof, the “Indenture”), providing for the issuance of the Issuer’s 5.5% Senior Notes due 2023 (the “Notes”), initially in the aggregate principal amount of \$2,000,000,000.00;

WHEREAS, the New Guarantor desires to unconditionally guarantee all the Issuer’s obligations under the Notes pursuant to a Guarantee on the terms and conditions set forth herein; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee and the Issuer are authorized to execute one or more supplemental indentures, including this Supplemental Indenture, to add Guarantors with respect to the Notes;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantor, the Issuer and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined, except that the term “Holders” in this Supplemental Indenture shall refer to the term “Holders” as defined in the Indenture and the Trustee acting on behalf of and for the benefit of such Holders. The words “herein,” “hereof,” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

2. Agreement to Guarantee. The New Guarantor hereby agrees, jointly and severally with all existing Guarantors (if any), to unconditionally guarantee the Issuer’s obligations under the Notes on the terms and subject to the conditions set forth in Article 10 of the Indenture as a Guarantor and to be bound by all other applicable provisions of the Indenture and the Notes as applying to a Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.

3. Notices. All notices or other communications to the New Guarantor shall be given as provided in Section 11.02 of the Indenture; *provided* that copies of notices to the Issuer or a Guarantor need not be provided to Milbank, Tweed, Hadley & McCloy LLP, but shall instead be provided to:

Skadden, Arps, Slate Meagher & Flom LLP
 Four Times Square
 New York, New York 10036-6522
 Attention: Eric L. Cochran, Esq.
 Stacy J. Kanter, Esq.

4. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

5. Governing Law. **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. THE APPLICATION TO THE NOTES OF THE PROVISIONS SET OUT IN ARTICLES 84 TO 94-8 OF THE LUXEMBOURG LAW ON COMMERCIAL COMPANIES DATED AUGUST 10, 1915, AS AMENDED, IS EXCLUDED.**

6. Trustee Makes No Representation. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture.

7. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Supplemental Indenture. One signed copy is enough to prove this Supplemental Indenture. Notwithstanding the foregoing, the exchange of copies of this Supplemental Indenture and of

signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture and signature pages for all purposes.

8. Effect of Headings. The Section headings of this Supplemental Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to be duly executed as of the date first written above.

INTELSAT GENESIS INC.

By: /s/Sajid Ajmeri
Name: Sajid Ajmeri

Title: Vice President, Corporate & Securities &
Assistant Secretary

INTELSAT JACKSON HOLDINGS S.A.

By: /s/Franz Russ
Name: Franz Russ

Title: Chairman & Chief Executive Officer

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: /s/Richard Prokosch
Name: Richard Prokosch
Title: Vice President

SUPPLEMENTAL INDENTURE NO. 5

SUPPLEMENTAL INDENTURE NO. 5 (this “Supplemental Indenture”) dated as of July 2, 2018, by and among INTELSAT JACKSON HOLDINGS S.A. (or its successor), a *société anonyme* existing under the laws of Luxembourg (the “Issuer”), INTELSAT ALLIANCE LP, a Delaware limited partnership and subsidiary of the Issuer, INTELSAT GENESIS GP LLC, a Delaware limited liability company and subsidiary of Intelsat Genesis Inc., a Delaware corporation, and INTELSAT VENTURES S.À.R.L., a *société à responsabilité limitée* existing under the law of Luxembourg and subsidiary of Intelsat Alliance LP (collectively, the “New Guarantors”), and U.S. BANK, NATIONAL ASSOCIATION, a national banking association, as trustee under the Indenture referred to below (the “Trustee”).

WITNESSETH:

WHEREAS, the Issuer and the existing Guarantors have heretofore executed and delivered to the Trustee an indenture, dated as of June 5, 2013 (as amended, supplemented or otherwise modified prior to the date hereof, the “Indenture”), providing for the issuance of the Issuer’s 5.5% Senior Notes due 2023 (the “Notes”), initially in the aggregate principal amount of \$2,000,000,000.00;

WHEREAS, each of the New Guarantors desires to unconditionally guarantee all the Issuer’s obligations under the Notes pursuant to a Guarantee on the terms and conditions set forth herein; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee and the Issuer are authorized to execute one or more supplemental indentures, including this Supplemental Indenture, to add Guarantors with respect to the Notes;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantors, the Issuer and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined, except that the term “Holders” in this Supplemental Indenture shall refer to the term “Holders” as defined in the Indenture and the Trustee acting on behalf of and for the benefit of such Holders. The words “herein,” “hereof,” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.
2. Agreement to Guarantee. Each of the New Guarantors hereby agrees, jointly and severally with all existing Guarantors (if any), to unconditionally guarantee the Issuer’s obligations under the Notes on the terms and subject to the conditions set forth in Article 10 of the Indenture as a Guarantor and to be bound by all other applicable provisions of the Indenture and the Notes as applying to a Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.
3. Notices. All notices or other communications to the New Guarantors shall be given as provided in Section 11.02 of the Indenture; *provided* that copies of notices to the Issuer or a Guarantor need not be provided to Milbank, Tweed, Hadley & McCloy LLP, but shall instead be provided to:

Skadden, Arps, Slate Meagher & Flom LLP
 Four Times Square
 New York, New York 10036-6522
 Attention: Eric L. Cochran, Esq.
 Stacy J. Kanter, Esq.

4. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

5. Governing Law. **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. THE APPLICATION TO THE NOTES OF THE PROVISIONS SET OUT IN ARTICLES 84 TO 94-8 OF THE LUXEMBOURG LAW ON COMMERCIAL COMPANIES DATED AUGUST 10, 1915, AS AMENDED, IS EXCLUDED.**

6. Trustee Makes No Representation. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture.

7. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Supplemental Indenture. One signed copy is enough to prove this Supplemental Indenture. Notwithstanding the foregoing, the exchange of copies of this Supplemental Indenture and of

signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture and signature pages for all purposes.

8. Effect of Headings. The Section headings of this Supplemental Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to be duly executed as of the date first written above.

INTELSAT GENESIS GP LLC, as General Partner of Intelsat Alliance LP

By: /s/Sajid Ajmeri
Name: Sajid Ajmeri

Title: Vice President, Corporate & Securities &
Assistant Secretary

INTELSAT GENESIS GP LLC

By: /s/Sajid Ajmeri
Name: Sajid Ajmeri

Title: Vice President, Corporate & Securities &
Assistant Secretary

INTELSAT VENTURES S.À R.L.

By: /s/Franz Russ
Name: Franz Russ

Title: Chairman and Chief Executive Officer

INTELSAT JACKSON HOLDINGS S.A.

By: /s/Franz Russ
Name: Franz Russ

Title: Chairman & Chief Executive Officer

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: /s/Richard Prokosch
Name: Richard Prokosch
Title: Vice President

SUPPLEMENTAL INDENTURE NO. 8

SUPPLEMENTAL INDENTURE NO. 8 (this “Supplemental Indenture”) dated as of June 29, 2018, by and among INTELSAT JACKSON HOLDINGS S.A. (or its successor), a *société anonyme* existing under the laws of Luxembourg (the “Issuer”), INTELSAT GENESIS INC., a Delaware corporation and subsidiary of the Issuer (the “New Guarantor”), and U.S. BANK, NATIONAL ASSOCIATION, a national banking association, as trustee under the Indenture referred to below (the “Trustee”).

WITNESSETH:

WHEREAS, the Issuer and the existing Guarantors have heretofore executed and delivered to the Trustee an indenture, dated as of April 5, 2011 (as amended, supplemented or otherwise modified prior to the date hereof, the “Indenture”), providing for the issuance of the Issuer’s 7.5% Senior Notes due 2021 (the “Notes”), initially in the aggregate principal amount of \$1,150,000,000.00;

WHEREAS, the New Guarantor desires to unconditionally guarantee all the Issuer’s obligations under the Notes pursuant to a Guarantee on the terms and conditions set forth herein; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee and the Issuer are authorized to execute one or more supplemental indentures, including this Supplemental Indenture, to add Guarantors with respect to the Notes;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantor, the Issuer and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined, except that the term “Holders” in this Supplemental Indenture shall refer to the term “Holders” as defined in the Indenture and the Trustee acting on behalf of and for the benefit of such Holders. The words “herein,” “hereof,” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.
2. Agreement to Guarantee. The New Guarantor hereby agrees, jointly and severally with all existing Guarantors (if any), to unconditionally guarantee the Issuer’s obligations under the Notes on the terms and subject to the conditions set forth in Article 10 of the Indenture as a Guarantor and to be bound by all other applicable provisions of the Indenture and the Notes as applying to a Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.
3. Notices. All notices or other communications to the New Guarantor shall be given as provided in Section 11.02 of the Indenture; *provided* that copies of notices to the Issuer or a Guarantor need not be provided to Milbank, Tweed, Hadley & McCloy LLP, but shall instead be provided to:

Skadden, Arps, Slate Meagher & Flom LLP
Four Times Square
New York, New York 10036-6522
Attention: Eric L. Cochran, Esq.
 Stacy J. Kanter, Esq.

4. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.
5. Governing Law. **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. THE APPLICATION TO THE NOTES OF THE PROVISIONS SET OUT IN ARTICLES 84 TO 94-8 OF THE LUXEMBOURG LAW ON COMMERCIAL COMPANIES DATED AUGUST 10, 1915, AS AMENDED, IS EXCLUDED.**
6. Trustee Makes No Representation. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture.
7. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Supplemental Indenture. One signed copy is enough to prove this Supplemental Indenture. Notwithstanding the foregoing, the exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture and signature pages for all purposes.

8. Effect of Headings. The Section headings of this Supplemental Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to be duly executed as of the date first written above.

INTELSAT GENESIS INC.

By: /s/Sajid Ajmeri
Name: Sajid Ajmeri

Title: Vice President, Corporate & Securities &
Assistant Secretary

INTELSAT JACKSON HOLDINGS S.A.

By: /s/Franz Russ
Name: Franz Russ

Title: Chairman & Chief Executive Officer

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: /s/Richard Prokosch
Name: Richard Prokosch
Title: Vice President

SUPPLEMENTAL INDENTURE NO. 9

SUPPLEMENTAL INDENTURE NO. 9 (this “Supplemental Indenture”) dated as of July 2, 2018, by and among INTELSAT JACKSON HOLDINGS S.A. (or its successor), a *société anonyme* existing under the laws of Luxembourg (the “Issuer”), INTELSAT ALLIANCE LP, a Delaware limited partnership and subsidiary of the Issuer, INTELSAT GENESIS GP LLC, a Delaware limited liability company and subsidiary of Intelsat Genesis Inc., a Delaware corporation, and INTELSAT VENTURES S.À.R.L., a *société à responsabilité limitée* existing under the law of Luxembourg and subsidiary of Intelsat Alliance LP (collectively, the “New Guarantors”), and U.S. BANK, NATIONAL ASSOCIATION, a national banking association, as trustee under the Indenture referred to below (the “Trustee”).

WITNESSETH:

WHEREAS, the Issuer and the existing Guarantors have heretofore executed and delivered to the Trustee an indenture, dated as of April 5, 2011 (as amended, supplemented or otherwise modified prior to the date hereof, the “Indenture”), providing for the issuance of the Issuer’s 7.5% Senior Notes due 2021 (the “Notes”), initially in the aggregate principal amount of \$1,150,000,000.00;

WHEREAS, each of the New Guarantors desires to unconditionally guarantee all the Issuer’s obligations under the Notes pursuant to a Guarantee on the terms and conditions set forth herein; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee and the Issuer are authorized to execute one or more supplemental indentures, including this Supplemental Indenture, to add Guarantors with respect to the Notes;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantors, the Issuer and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined, except that the term “Holders” in this Supplemental Indenture shall refer to the term “Holders” as defined in the Indenture and the Trustee acting on behalf of and for the benefit of such Holders. The words “herein,” “hereof,” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.
2. Agreement to Guarantee. Each of the New Guarantors hereby agrees, jointly and severally with all existing Guarantors (if any), to unconditionally guarantee the Issuer’s obligations under the Notes on the terms and subject to the conditions set forth in Article 10 of the Indenture as a Guarantor and to be bound by all other applicable provisions of the Indenture and the Notes as applying to a Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.
3. Notices. All notices or other communications to the New Guarantors shall be given as provided in Section 11.02 of the Indenture; *provided* that copies of notices to the Issuer or a Guarantor need not be provided to Milbank, Tweed, Hadley & McCloy LLP, but shall instead be provided to:

Skadden, Arps, Slate Meagher & Flom LLP
 Four Times Square
 New York, New York 10036-6522
 Attention: Eric L. Cochran, Esq.
 Stacy J. Kanter, Esq.

4. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

5. Governing Law. **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. THE APPLICATION TO THE NOTES OF THE PROVISIONS SET OUT IN ARTICLES 84 TO 94-8 OF THE LUXEMBOURG LAW ON COMMERCIAL COMPANIES DATED AUGUST 10, 1915, AS AMENDED, IS EXCLUDED.**

6. Trustee Makes No Representation. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture.

7. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Supplemental Indenture. One signed copy is enough to prove this Supplemental Indenture. Notwithstanding the foregoing, the exchange of copies of this Supplemental Indenture and of

signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture and signature pages for all purposes.

8. Effect of Headings. The Section headings of this Supplemental Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to be duly executed as of the date first written above.

INTELSAT GENESIS GP LLC, as General Partner of Intelsat Alliance LP

By: /s/Sajid Ajmeri
Name: Sajid Ajmeri

Title: Vice President, Corporate & Securities &
Assistant Secretary

INTELSAT GENESIS GP LLC

By: /s/Sajid Ajmeri
Name: Sajid Ajmeri

Title: Vice President, Corporate & Securities &
Assistant Secretary

INTELSAT VENTURES S.À R.L.

By: /s/Franz Russ
Name: Franz Russ

Title: Chairman and Chief Executive Officer

INTELSAT JACKSON HOLDINGS S.A.

By: /s/Franz Russ
Name: Franz Russ

Title: Chairman & Chief Executive Officer

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: /s/Richard Prokosch
Name: Richard Prokosch
Title: Vice President

SUPPLEMENTAL INDENTURE NO. 11

SUPPLEMENTAL INDENTURE NO. 11 (this “Supplemental Indenture”) dated as of June 29, 2018, by and among INTELSAT JACKSON HOLDINGS S.A. (or its successor), a *société anonyme* existing under the laws of Luxembourg (the “Issuer”), INTELSAT GENESIS INC., a Delaware corporation and subsidiary of the Issuer, (the “New Guarantor”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as trustee under the Indenture referred to below (the “Trustee”).

WITNESSETH:

WHEREAS, the Issuer and the existing Guarantors have heretofore executed and delivered to the Trustee an indenture, dated as of September 30, 2010 (as amended, supplemented or otherwise modified prior to the date hereof, the “Indenture”), providing for the issuance of the Issuer’s 7.25% Senior Notes due 2020 (the “Notes”), initially in the aggregate principal amount of \$1,000,000,000.00;

WHEREAS, the New Guarantor desires to unconditionally guarantee all the Issuer’s obligations under the Notes pursuant to a Guarantee on the terms and conditions set forth herein; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee and the Issuer are authorized to execute one or more supplemental indentures, including this Supplemental Indenture, to add Guarantors with respect to the Notes;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantor, the Issuer and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined, except that the term “Holders” in this Supplemental Indenture shall refer to the term “Holders” as defined in the Indenture and the Trustee acting on behalf of and for the benefit of such Holders. The words “herein,” “hereof,” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

2. Agreement to Guarantee. The New Guarantor hereby agrees, jointly and severally with all existing Guarantors (if any), to unconditionally guarantee the Issuer’s obligations under the Notes on the terms and subject to the conditions set forth in Article 10 of the Indenture as a Guarantor and to be bound by all other applicable provisions of the Indenture and the Notes as applying to a Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.

3. Notices. All notices or other communications to the New Guarantor shall be given as provided in Section 11.02 of the Indenture; *provided* that copies of notices to the Issuer or a Guarantor need not be provided to Milbank, Tweed, Hadley & McCloy LLP, but shall instead be provided to:

Skadden, Arps, Slate Meagher & Flom LLP
Four Times Square
New York, New York 10036-6522
Attention: Eric L. Cochran, Esq.
Stacy J. Kanter, Esq.

4. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

5. Governing Law. **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. THE APPLICATION TO THE NOTES OF THE PROVISIONS SET OUT IN ARTICLES 84 TO 94-8 OF THE LUXEMBOURG LAW ON COMMERCIAL COMPANIES DATED AUGUST 10, 1915, AS AMENDED, IS EXCLUDED.**

6. Trustee Makes No Representation. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture.

7. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Supplemental Indenture. One signed copy is enough to prove this Supplemental Indenture. Notwithstanding the foregoing, the exchange of copies of this Supplemental Indenture and of

signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture and signature pages for all purposes.

8. Effect of Headings. The Section headings of this Supplemental Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to be duly executed as of the date first written above.

INTELSAT GENESIS INC.

By: /s/Sajid Ajmeri
Name: Sajid Ajmeri

Title: Vice President, Corporate & Securities &
Assistant Secretary

INTELSAT JACKSON HOLDINGS S.A.

By: /s/Franz Russ
Name: Franz Russ

Title: Chairman & Chief Executive Officer

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: /s/Richard Prokosch
Name: Richard Prokosch
Title: Vice President

SUPPLEMENTAL INDENTURE NO. 12

SUPPLEMENTAL INDENTURE NO. 12 (this “Supplemental Indenture”) dated as of July 2, 2018, by and among INTELSAT JACKSON HOLDINGS S.A. (or its successor), a *société anonyme* existing under the laws of Luxembourg (the “Issuer”), INTELSAT ALLIANCE LP, a Delaware limited partnership and subsidiary of the Issuer, INTELSAT GENESIS GP LLC, a Delaware limited liability company and subsidiary of Intelsat Genesis Inc., a Delaware corporation, and INTELSAT VENTURES S.À.R.L., a *société à responsabilité limitée* existing under the law of Luxembourg and subsidiary of Intelsat Alliance LP (collectively, the “New Guarantors”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as trustee under the Indenture referred to below (the “Trustee”).

WITNESSETH:

WHEREAS, the Issuer and the existing Guarantors have heretofore executed and delivered to the Trustee an indenture, dated as of September 30, 2010 (as amended, supplemented or otherwise modified prior to the date hereof, the “Indenture”), providing for the issuance of the Issuer’s 7.25% Senior Notes due 2020 (the “Notes”), initially in the aggregate principal amount of \$1,000,000,000.00;

WHEREAS, the New Guarantor desires to unconditionally guarantee all the Issuer’s obligations under the Notes pursuant to a Guarantee on the terms and conditions set forth herein; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee and the Issuer are authorized to execute one or more supplemental indentures, including this Supplemental Indenture, to add Guarantors with respect to the Notes;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantors, the Issuer and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined, except that the term “Holders” in this Supplemental Indenture shall refer to the term “Holders” as defined in the Indenture and the Trustee acting on behalf of and for the benefit of such Holders. The words “herein,” “hereof,” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

2. Agreement to Guarantee. Each of the New Guarantors hereby agrees, jointly and severally with all existing Guarantors (if any), to unconditionally guarantee the Issuer’s obligations under the Notes on the terms and subject to the conditions set forth in Article 10 of the Indenture as a Guarantor and to be bound by all other applicable provisions of the Indenture and the Notes as applying to a Guarantor and to perform all of the obligations and agreements of a Guarantor under the Indenture.

3. Notices. All notices or other communications to the New Guarantors shall be given as provided in Section 11.02 of the Indenture; *provided* that copies of notices to the Issuer or a Guarantor need not be provided to Milbank, Tweed, Hadley & McCloy LLP, but shall instead be provided to:

Skadden, Arps, Slate Meagher & Flom LLP
Four Times Square
New York, New York 10036-6522
Attention: Eric L. Cochran, Esq.
Stacy J. Kanter, Esq.

4. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

5. Governing Law. **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. THE APPLICATION TO THE NOTES OF THE PROVISIONS SET OUT IN ARTICLES 84 TO 94-8 OF THE LUXEMBOURG LAW ON COMMERCIAL COMPANIES DATED AUGUST 10, 1915, AS AMENDED, IS EXCLUDED.**

6. Trustee Makes No Representation. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture.

7. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Supplemental Indenture. One signed copy is

enough to prove this Supplemental Indenture. Notwithstanding the foregoing, the exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture and signature pages for all purposes.

8. **Effect of Headings.** The Section headings of this Supplemental Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to be duly executed as of the date first written above.

INTELSAT GENESIS GP LLC, as General Partner of
Intelsat Alliance LP

By: /s/Sajid Ajmeri
Name: Sajid Ajmeri

Title: Vice President, Corporate & Securities &
Assistant Secretary

INTELSAT GENESIS GP LLC

By: /s/Sajid Ajmeri
Name: Sajid Ajmeri

Title: Vice President, Corporate & Securities &
Assistant Secretary

INTELSAT VENTURES S.À R.L.

By: /s/Franz Russ
Name: Franz Russ

Title: Chairman and Chief Executive Officer

INTELSAT JACKSON HOLDINGS S.A.

By: /s/Franz Russ
Name: Franz Russ

Title: Chairman & Chief Executive Officer

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By: /s/Richard Prokosch
Name: Richard Prokosch
Title: Vice President

GOVERNANCE AGREEMENT**BY AND AMONG****INTELSAT S.A.****AND****THE BC INVESTOR****December 6, 2018****TABLE OF CONTENTS**[Article I CORPORATE GOVERNANCE](#) 3[Section 1.01 Board of Directors](#) 3[Section 1.02 Additional Board Provisions](#) 4[Section 1.03 Conflicting Article Provisions](#) 5[Section 1.04 Confidentiality](#) 6[Section 1.05 Effect of Transfer; Transfers and Counterparties to the Agreement](#) 7[Article II REPRESENTATIONS; WARRANTIES AND COVENANTS](#) 7[Section 2.01 Representations and Warranties of the BC Investor](#) 7[Section 2.02 Representations and Warranties of the Company](#) 8[Section 2.03 Entitlement of the Company and the BC Investor to Rely on Representations and Warranties](#) 9[Article III INTERPRETATION OF THIS AGREEMENT](#) 9[Section 3.01 Defined Terms](#) 9[Section 3.02 Interpretive Provisions](#) 10[Section 3.03 Directly or Indirectly](#) 11[Section 3.04 Governing Law](#) 11

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GOVERNANCE AGREEMENT

This GOVERNANCE AGREEMENT (this “Agreement”), dated as of December 6, 2018, by and among Intelsat S.A., a Luxembourg *société anonyme*, RCS Luxembourg B162135 (the “Company”) and Serafina S.A. (the “BC Investor”).

RECITALS

WHEREAS, the Company is party to (i) a Governance Agreement, dated as of April 23, 2013 (as amended from time to time, the “Existing Governance Agreement”), providing for the composition of the Board of Directors of the Company (the “Board” and, each member thereof, a “Director”) and certain other matters, among the Company, the BC Investor, SLP III Investment Holding S.à r.l. and Silver Lake Group, L.L.C. (together, the “Silver Lake Investor”) and David McGlade, McGlade Investments II LLC, Article 4 Family Trust U/T David McGlade 2009 GRAT and David P. McGlade Declaration of Trust (collectively, the “McGlade Shareholder”) and (ii) three shareholders agreements, consisting of (a) a management shareholders agreement, effective as of February 4, 2008 (as amended and collectively with the individual side letters thereto, including the McGlade Letter Agreement, the “Management Shareholders Agreement”), among the Company and certain shareholders and members of management, (b) a shareholders agreement, dated as of February 4, 2008 (as amended from time to time, the “Sponsors Shareholders Agreement”), among the Company, the BC Investor and the Silver Lake Investor and (c) a shareholders agreement, dated as of February 4, 2008 (as amended from time to time, together with the Management Shareholders Agreement and the Sponsors Shareholders Agreement, the “Existing Shareholders Agreements”), among the Company, the BC Investor, the Silver Lake Investor and two additional equity investors;

WHEREAS, as a result of the passage of time and certain changes related to the Company’s share ownership, the parties to the Existing Governance Agreement and the Existing Shareholders Agreements desire to terminate the Existing Governance Agreement and the Existing Shareholders Agreements and enter into this Agreement, between the Company and the BC Investor, and a new shareholders

agreement, dated the date hereof (the “2018 Shareholders Agreement”), among the Company, the BC Investor, the Silver Lake Investor and the McGlade Shareholder;

WHEREAS, the parties understand that, by executing and delivering this Agreement and the 2018 Shareholders Agreement, the Existing Governance Agreement and the Existing Shareholders Agreements shall be terminated;

WHEREAS, the parties hereto desire for this Agreement to contain the final, complete and exclusive agreement of the parties pertaining to its subject matter and supersede all prior written and oral agreements pertaining thereto;

WHEREAS, as of the date of this Agreement, the BC Investor holds 64,984,207 shares of Common Stock of the Company (the “Shares”); and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

Article I

CORPORATE GOVERNANCE

Section 1.01 Board of Directors.

(a) Nomination. So long as the BC Investor owns in the aggregate at least 25% of the outstanding shares of Common Stock on a fully diluted basis (i.e., assuming the exercise or conversion of all options, warrants and other securities or rights (held by the BC Investor but not any other Person) which are convertible into or exchangeable or exercisable for shares of Common Stock, which calculation shall exclude the 4.50% convertible senior notes due 2025 issued on June 18, 2018) the BC Investor shall be entitled to nominate two (2) Directors (the “BC Directors”) to the Board; provided, that if and for so long as the BC Investor owns in the aggregate less than 25% of the outstanding shares of Common Stock on a fully diluted basis, the BC Investor shall be entitled to nominate for election the following number of Directors (based on the aggregate ownership of the BC Investor of Common Stock on a fully diluted basis):

<u>% of Outstanding Shares</u>	<u>Number of BC Directors</u>
5% or greater but less than 25%	1
less than 5%	0

The Company hereby agrees to use its reasonable best efforts (A) to include the nominees of the BC Investor nominated pursuant to Section 1.01(a) as the nominees to the Board on each slate of nominees for election of the Board proposed by management of the Company, (B) to recommend the election of such nominees to the shareholders of the Company and (C) without limiting the foregoing, to otherwise use its reasonable best efforts to cause such nominees to be elected to the Board.

(i) Additional Independent Directors. Notwithstanding Section 1.01(a), the Company and the BC Investor (in its capacity as shareholder of the Company) agree to take such action as may be required under applicable law (including, without limitation, voting its Shares) to appoint such number of additional Independent Directors (each, an “Additional Independent Director”), acting upon the recommendation of a majority of the Directors then in office or, if the Board has delegated such authority, the nominating or similar committee of the Board, to the extent necessary so that the Board and its committees comply with then applicable law and the rules of the U.S. Securities and Exchange Commission (the “Commission”) or the New York Stock Exchange or any other stock exchange in which the Common Stock is listed.

(b) Removal.

(i) The BC Investor shall have the sole and exclusive right to remove any BC Director, with or without cause, subject to applicable law, this Agreement and the Amended and Restated Articles of Incorporation of the Company dated April 18, 2013, as

amended from time to time (the “Articles”). No BC Director shall be, with or without cause, removed from his or her office prior to the end of such Director’s term without the prior written consent of the BC Investor.

(ii) If the number of Directors that the BC Investor has the right to nominate for election to the Board is decreased or if the BC Investor ceases to have the right to nominate any BC Director for election to the Board, in each case pursuant to Section 1.01(a), then the BC Investor shall immediately cause such BC Director or Directors, as the case may be, to resign from the Board, and the Board shall promptly fill such vacant Director position(s), as determined by a majority of the remaining Directors.

Section 1.02 Additional Board Provisions.

(a) Director Qualifications. No Director nominated by the BC Investor shall be an officer, a member of the board of directors or a non-voting observer of any Person (whether or not to an Affiliate), that in the reasonable judgment of the Board, exercised in good faith, is an actual or potential Competitor of the Company or any of its subsidiaries or any Person who (directly or indirectly) (x) holds an ownership interest in such actual or potential Competitor equal to five percent (5%) or more of the outstanding voting securities of such actual or potential Competitor or (y) has designated, or has the right to designate, a member of the board of directors of such actual or potential Competitor, in each case without the approval of the Board.

(b) Information Rights. (i) After such time as the BC Investor is no longer entitled to nominate a Director and until such time as the BC Investor ceases to own any Shares, the BC Investor shall be entitled to receive from the Company upon request a copy of the board meeting materials provided to each Director, subject to the redaction of any information which in the Company’s good faith judgment (i) is not appropriate to disclose to a Person who does not have a fiduciary duty to the Company and its shareholders, (ii) the disclosure of which could subject the Company to risk of liability and (iii) is subject to any attorney-client or other privilege.

(c) Indemnification; D&O Insurance Matters.

(i) The Company shall indemnify, pay, protect and hold harmless each member of the Board and the BC Investor and its representatives (collectively, the “Indemnitees”) to the fullest extent permitted under applicable law from and against any and all losses which may be imposed on, incurred by, or asserted against the Indemnitee in any way relating to or arising out of, or alleged to relate to or arise out of, any action or inaction on the part of the Indemnitee when acting on behalf of the Company or any of its subsidiaries (the “Intelsat Group”) in any capacity, including as a member of the Board or a committee thereof, board of directors or similar governing body of any member of the Intelsat Group or a committee thereof (other than for such losses which are finally judicially determined by a competent court to have resulted from such Indemnitee’s fraud, gross negligence or willful misconduct). The Indemnitee shall have the right to employ joint counsel with the Company satisfactory to such Indemnitee and the Company shall reimburse the Indemnitee for the reasonable fees and expenses of such joint counsel; provided, however, that the Indemnitee shall also have the right to employ its own counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnitee unless: (x) the employment of such counsel has been specifically authorized in writing by the Company; (y) the Company has failed promptly to assume the defense and employ counsel reasonably satisfactory to the Indemnitee; or (z) the named parties to any such action (including any impleaded parties) include both the Indemnitee and the Company or any subsidiary or Affiliate of the Company, and such Indemnitee shall have reasonably concluded that either (A) there may be one or more legal defenses available to it which are different from or additional to those available to the Company or such subsidiary or Affiliate of the Company or (B) a conflict may exist between such Indemnitee and the Company or such subsidiary or Affiliate of the Company. These indemnification rights shall be cumulative, in addition to any other rights that the Indemnitees may have and shall inure to the benefit of their heirs, successors, assignees, and administrators.

(ii) The Company hereby acknowledges that some of its Directors (the “Specified Directors”) may have certain rights to indemnification and advancement of expenses provided by other entities and/or organizations (collectively, the “Fund Indemnitors”). The Company hereby agrees and acknowledges (A) that it is the indemnitor of first resort with respect to the Specified Directors (i.e., its obligations to the Specified Directors are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by the Specified Directors are secondary), (B) that it shall be required to advance the full amount of expenses incurred by the Specified Directors and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement to the extent not prohibited by (and not merely to the extent affirmatively

permitted by) applicable law and as required by this Agreement or the Articles (or any other agreement between the Company and the Specified Directors), without regard to any rights the Specified Directors may have against the Fund Indemnitors and (C) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees and acknowledges that no advancement or payment by the Fund Indemnitors on behalf of the Specified Directors with respect to any claim for which the Specified Directors have sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of the Specified Directors against the Company.

(iii) The Company shall obtain, fully pay and maintain customary directors' and officers' liability insurance and fiduciary liability insurance, with benefits and levels of coverage at least as favorable as customarily provided by similarly-situated public companies.

(d) Governance Expense. The Company shall reimburse the BC Directors for reasonable travel, lodging and related expenses incurred in connection with meetings of the Board or any committee thereof, or otherwise in service as a BC Director or any member of a committee of the Board.

Section 1.03 Conflicting Article Provisions. The BC Investor shall vote its Shares or execute proxies or written consents, as the case may be, and shall take all other actions necessary, to ensure that the Articles (a) facilitate, and do not at any time conflict with, any provision of this Agreement and (b) permit the BC Investor to receive the benefits to which the BC Investor is entitled under this Agreement.

Section 1.04 Confidentiality.

(a) The BC Investor agrees and acknowledges that the Company and the BC Directors may share confidential, non-public information about the Company and any of its subsidiaries with the BC Investor.

(b) The BC Investor (collectively, the "Confidential Investors") shall not disclose any information relating to the Company or any subsidiary received by a Confidential Investor pursuant to the information rights set forth in Section 1.02(b) and Section 1.04(a) hereof or any similar rights (the "Confidential Information") without the prior written consent of the Board; provided, that (i) Confidential Information may be disclosed if required by applicable law, regulation or legal process (subject to the provisions of Section 1.04(c) below), (ii) each Confidential Investor may disclose Confidential Information to its partners, members, investors, prospective investors, advisors, employees, agents, accountants, attorneys and Affiliates and representatives thereof (collectively, the "Representatives"), or if such Confidential Investor is wholly-owned by another Person, the Representatives of such Person or its Affiliates, so long as (x) such Representatives agree to keep such information confidential (or the Confidential Investor directs such Representative to keep such information confidential, in which case such Confidential Investors shall be liable for any failure on the part of its Representatives to so keep such information confidential), and to limit their use of such information, on terms substantially identical to the terms contained in this Section 1.04(b) and (y) the sharing of such Confidential Information with such Representatives does not violate any applicable law or regulation; provided, however, that notwithstanding anything to the contrary in this clause (ii) but subject to clauses (x) and (y) of this clause (ii), for purposes of this clause (ii), the BC Investor, in its capacity as a Confidential Investor who receives information pursuant to Section 1.02(b), may disclose Confidential Information received pursuant to Section 1.02(b) (and not otherwise as a shareholder) only to its employees, accountants, attorneys and Affiliates (and the employees, accountants and attorneys of such Affiliates) and the term Representatives with respect to such Confidential Information shall mean solely its employees, accountants, attorneys and Affiliates (and the employees, accountants and attorneys of such Affiliates), and (iii) a Confidential Investor may disclose Confidential Information to a prospective Transferee of such Confidential Investor's Shares so long as (x) such prospective Transferee executes a non-disclosure agreement in a form reasonably acceptable to the Company and (y) the sharing of such Confidential Information with a prospective Transferee does not violate any applicable law or regulation. The term "Confidential Information" does not include information that (A) is or has become generally available to the public other than as a result of a direct or indirect disclosure by a Confidential Investor or any of its Representatives in breach of the provisions hereof, (B) was within the possession of a Confidential Investor or any of its Representatives from a source other than the Company prior to its being furnished to such Confidential Investor by or on behalf of the Company or (C) is received from a source other than the Company or its subsidiaries or any of their respective representatives or predecessor entities; provided, that in the case of each of (B) and (C) above, the source of such information was not believed by such Confidential Investor after reasonable inquiry to be bound by a confidentiality agreement with or other contractual, legal or fiduciary obligation of confidentiality to the Company with respect to such information. For the avoidance of doubt, notwithstanding

the foregoing, nothing in this Section 1.04 shall prevent the BC Investor, so long as the BC Investor is a private equity fund, from making any periodic reports to its limited partners in the ordinary course of business consistent with past practice; provided, that, to the extent any such periodic reports contain any Confidential Information, the BC Investor shall inform such limited partners of the confidential nature of such Confidential Information and such limited partners shall agree to the restrictions contemplated by this Section 1.04 that are applicable to such Confidential Information.

(c) In the event that any Confidential Investor is required by applicable law, regulation or legal process to disclose any of the Confidential Information, such Confidential Investor shall promptly notify the Company in writing by facsimile and certified mail so that the Company may seek a protective order or other appropriate remedy. Nothing herein shall be deemed to prevent any Confidential Investor from honoring a subpoena (or governmental order) that seeks discovery of the Confidential Information if (A) a motion for a protective order, motion to quash and/or other motion filed to prevent the production or disclosure of the Confidential Information has been denied or is not made; provided, however, that such Confidential Investor disclose only that portion of the Confidential Information which such Confidential Investor's outside legal counsel advises is legally required and that it exercise commercially reasonable efforts to preserve the confidentiality of the remainder of the Confidential Information; or (B) the Company consents in writing to having the Confidential Information produced or disclosed pursuant to the subpoena (or governmental order). In no event will any Confidential Investor or any of its Representatives oppose any action by the Company to obtain a protective order or other relief to prevent the disclosure of the Confidential Information or to obtain reliable assurance that confidential treatment will be afforded the Confidential Information. The Company shall promptly reimburse the Confidential Investor for any reasonable costs and expenses (including fees and disbursements of counsel) incurred in connection with any action that the Confidential Investor may be required to take, or is requested by the Company to take, under this Section 1.04(c).

Section 1.05 Effect of Transfer; Transfers and Counterparties to the Agreement. Other than Transfers to Permitted Transferees, the BC Investor shall not be entitled to Transfer any rights provided to it under Article I of this Agreement (including the right to nominate, designate or appoint any director to the Board) without the prior approval of the Board. No Transfer of any Shares to any Permitted Transferee of the BC Investor shall become effective unless and until such Permitted Transferee (unless already a party to this Agreement) executes and delivers to the Company a counterpart to this Agreement, agreeing to be bound by the terms hereof in the same manner as the BC Investor. Upon such Transfer and such execution and delivery, the Permitted Transferee shall be bound by, and entitled to the benefits of, this Agreement with respect to the transferred Shares in the same manner as the BC Investor.

ARTICLE II

REPRESENTATIONS; WARRANTIES AND COVENANTS

Section 2.01 Representations and Warranties of the BC Investor. The BC Investor hereby represents and warrants, severally and not jointly, and solely on its own behalf, to the Company that on the date hereof:

(a) Existence; Authority; Enforceability. The BC Investor has the necessary power and authority to enter into this Agreement and to carry out its obligations hereunder. The BC Investor is duly organized and validly existing under the laws of its jurisdiction of organization, and the execution of this Agreement, and the consummation of the transactions contemplated herein, have been authorized by all necessary corporate or other action, and no other act or proceeding, corporate or otherwise, on its part is necessary to authorize the execution of this Agreement or the consummation of any of the transactions contemplated hereby. This Agreement has been duly executed by the BC Investor and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and any implied covenant of good faith and fair dealing.

(b) Absence of Conflicts. The execution and delivery by the BC Investor of this Agreement and the performance of its obligations hereunder do not and will not (i) conflict with, or result in the breach of any provision of the constitutive documents of the BC Investor; (ii) result in any violation, breach, conflict, default or event of default (or an event which with notice, lapse of time, or both, would constitute a default or event of default), or give rise to any right of acceleration or termination or any additional payment obligation, under the terms of any material contract, agreement or permit to which the BC Investor is a party or by which the BC Investor's assets or operations are bound or affected; or (iii) violate, in any material respect, any law applicable to the BC Investor.

(c) Consents. Other than any consents that have already been obtained, no governmental consent, waiver, approval, authorization, exemption, registration, license or declaration is required to be made or obtained by the BC Investor in connection with (i) the execution, delivery or performance of this Agreement or (ii) the consummation of any of the transactions contemplated herein.

Section 2.02 Representations and Warranties of the Company. The Company hereby represents and warrants to the BC Investor that on the date hereof:

(a) Existence; Authority; Enforceability. The Company has the necessary power and authority to enter into this Agreement and to carry out its obligations hereunder. The Company is duly organized and validly existing under the laws of its jurisdiction of organization, and the execution of this Agreement, and the consummation of the transactions contemplated herein, have been authorized by all necessary corporate or other action, and no other act or proceeding on its part is necessary to authorize the execution of this Agreement or the consummation of any of the transactions contemplated hereby. This Agreement has been duly executed by the Company and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and any implied covenant of good faith and fair dealing.

(b) Absence of Conflicts. The execution and delivery by the Company of this Agreement and the performance of its obligations hereunder do not and will not (i) conflict with, or result in the breach of any provision of the organizational documents of the Company or any of its subsidiaries; (ii) result in any violation, breach, conflict, default or event of default (or an event which with notice, lapse of time, or both, would constitute a default or event of default), or give rise to any right of acceleration or termination or any additional payment obligation, under the terms of any material contract, agreement or permit to which the Company or any of its subsidiaries is a party or by which the Company's or any of its subsidiaries' assets or operations are bound or affected; or (iii) violate, in any material respect, any law applicable to the Company or any of its subsidiaries.

(c) Consents. Other than any consents that have already been obtained, no governmental consent, waiver, approval, authorization, exemption, registration, license or declaration is required to be made or obtained by the Company or any of its subsidiaries in connection with (i) the execution, delivery or performance of this Agreement or (ii) the consummation of any of the transactions contemplated herein.

Section 2.03 Entitlement of the Company and the BC Investor to Rely on Representations and Warranties. The foregoing representations and warranties may be relied upon by the Company and by the BC Investor in connection with the entering into of this Agreement.

ARTICLE III

INTERPRETATION OF THIS AGREEMENT

Section 3.01 Defined Terms As used in this Agreement, the following terms have the respective meaning set forth below:

(a) "Affiliate" shall mean any Person, directly or indirectly controlling, controlled by or under common control with such Person. For these purposes, "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

(b) "Business Day" means any day other than a Saturday or Sunday or a day on which commercial banks are required or permitted by law to be closed in the City of New York in the State of New York.

(c) "Common Stock" shall mean the common shares of the Company, nominal value \$0.01 per share, and any shares of capital stock of the Company issued or issuable with respect to such shares by way of a stock dividend or distribution payable thereon or stock split, reverse stock split, recapitalization, reclassification, reorganization, exchange, subdivision or combination thereof.

(d) “Competitor” shall mean any Person that is in the business of leasing, selling or otherwise furnishing fixed satellite service transponder capacity that is used by a Person for both uplinking and downlinking to or from any location(s).

(e) “Independent Director” means a Director who, as of the date of such Director’s election or appointment and as of any other date on which the determination is being made, (i) qualifies as an “Independent Director” under the listing requirements of the Applicable Exchange, and (to the extent that such Director is intended to be a member of the audit committee of the Board) an “Independent Director” under Rule 10A-3 under the Securities Exchange Act of 1934 and (ii) satisfies any other independence requirement under any laws or regulations which are then applicable to the Company, in each case as determined by the Board without the vote of such Director.

(f) “McGlade Letter Agreement” shall mean the letter agreement, dated as of May 6, 2009, as amended, among the Company, David McGlade and Ronald P. McGlade, Trustee (On Behalf of the McGlade Family Trust dated January 2, 2009).

(g) “Permitted Transferee” shall mean the recipient of any Transfer of Shares (i) to an Affiliate or (ii) to any Person by operation of law; provided, that in each instance that such transferee agrees to be bound by the provisions of this Agreement as if such transferee were an original signatory hereto; and provided further that that any Permitted Transferee of the BC Investor shall be treated as the BC Investor for all purposes hereof.

(h) “Person” shall mean an individual, partnership, joint-stock company, corporation, limited liability company, trust or unincorporated organization, and a government or agency or political subdivision thereof.

(i) “Shares” shall have the meaning set forth in recitals and shall include any shares of capital stock of the Company issued or issuable with respect to such shares by way of a stock dividend or distribution payable thereon or stock split, reverse stock split, recapitalization, reclassification, reorganization, exchange, subdivision or combination thereof.

(j) “Subsidiary” or “subsidiary” means, with respect to any specified Person, any entity of which the specified Person (either alone or through or together with any other subsidiary of such specified Person) (i) owns, directly or indirectly, more than 50% of the voting stock or other interests the holders of which are generally entitled to vote for the election of the board of directors or other applicable governing body of such entity (or, in the case of a partnership, limited liability company or other similar entity, control of the general partnership, managing member or similar interests), or (ii) controls the management.

(k) “Transfer” shall mean any sale, transfer, conveyance, assignment, pledge, encumbrance, hypothecation or other disposition, whether directly or indirectly; and “Transferred”, “Transferee”, “Transferability”, and “Transferor” shall each have a correlative meaning. For the avoidance of doubt, a sale, transfer, conveyance, assignment, pledge, encumbrance, hypothecation or other disposition of an interest in any Shareholder all or substantially all of whose assets are Shares shall constitute a “Transfer” for purposes of this Agreement, as if such interest was a direct interest in the Company.

Section 3.02 Interpretive Provisions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined herein are applicable to the singular as well as the plural forms of such terms;

(b) when a reference is made in this Agreement to an Article or Section, such reference is to an Article or Section of this Agreement unless otherwise indicated;

(c) the word “or” is not exclusive and whenever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation”;

(d) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms;

(e) the words “hereof”, “herein” and “hereunder” and words of similar import, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement; and

(f) references herein to (i) an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (ii) any law means such law as amended, modified, codified, reenacted, supplemented or superseded in whole or in part and in effect from time to time, and also any rules and regulations promulgated thereunder.

Section 3.03 Directly or Indirectly. Where any provision in this Agreement refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

Section 3.04 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State.

Section 3.05 Section Headings. The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part thereof.

ARTICLE IV

MISCELLANEOUS

Section 4.01 Notices.

(a) All communications under this Agreement shall be in writing and shall be delivered by hand or facsimile or email or mailed by overnight courier or by registered or certified mail, postage prepaid:

To the BC Investor:

c/o BC Partners, Inc.
650 Madison Avenue
New York, NY 10065
Tel.: (212) 891-2880
Fax: (212) 891-2899
Attn: Justin Bateman
Email: justin.bateman@bcpartners.com

with a copy to:

Latham & Watkins LLP
885 Third Avenue
New York, NY 10022
Tel.: (212) 906-1200
Fax: (212) 751-4864
Attn: Raymond Lin; John Giouroukakis
Email: raymond.lin@lw.com; john.giouroukakis@lw.com

To the Company:

Intelsat S.A.
4, rue Albert Borschette
L-1246 Luxembourg
Tel.: +352 27-84-1600
Fax: +(352) 27-84-1690
Attn: General Counsel
Email: michelle.bryan@intelsat.com

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
4 Times Square
New York, NY 10036
Tel.: (212) 735-3000
Fax: (212) 735-2000
Attn: Eric L. Cochran

Email: eric.cochran@skadden.com

or at such other address and to the attention of such other person as the BC Investor may designate by written notice to the Company.

(b) Any notice so addressed shall be deemed to be given: if delivered by hand, facsimile or email, on the date of such delivery; if mailed by overnight courier, on the first Business Day following the date of such mailing; and if mailed by registered or certified mail, on the third Business Day after the date of such mailing.

Section 4.02 Reproduction of Documents. This Agreement and all documents relating thereto, including (i) consents, waivers and modifications which may hereafter be executed, (ii) documents received by the BC Investor pursuant hereto and (iii) financial statements, certificates and other information previously or hereafter furnished to the BC Investor, may be reproduced by the BC Investor by a photographic, photostatic, microfilm, microcard, miniature photographic or other similar process and BC Investor may destroy any original document so reproduced. All parties hereto agree and stipulate that any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by BC Investor in the regular course of business) and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

Section 4.03 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties.

Section 4.04 Entire Agreement. The parties agree that, by executing and delivering this Agreement and the 2018 Shareholders Agreement, the Existing Governance Agreement and the Existing Shareholders Agreements (including, for avoidance of doubt, the McGlade Letter Agreement and all other individual side letters to the Management Shareholders Agreement) are hereby terminated as to these parties. This Agreement constitutes the entire understanding of the parties hereto relating to the subject matters hereof and supersedes all prior understandings among such parties. This Agreement shall be interpreted independent of and without regard to any other agreement, unless otherwise specifically provided for in this Agreement.

Section 4.05 Amendment and Waiver. This Agreement may be amended, supplemented or modified, and the observance of any term of this Agreement may be waived, with (and only with) the consent of the Company and the BC Investor. Notwithstanding the foregoing, any amendments, supplements or modifications to add or remove parties to this Agreement as a result of Transfers permitted herein shall not require the consent of the BC Investor. No waiver of any breach shall be deemed to be a further or continuing waiver of such breach or a waiver of any other or subsequent breach. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof, or the exercise of any other right, power or remedy. All costs and expenses incurred by the BC Investor in connection with any amendment or waiver of the terms of this Agreement shall be borne by the BC Investor.

(a) The BC Investor and each general partner thereof, each member, limited or general partner of each such general partner and each of their Affiliates, officers, directors, shareholders, employees and agents (other than any person who is a full time officer or employee of the Company or any of its subsidiaries) may engage in or possess an interest in any other business venture of any nature or description (including any business venture that is the same or similar to that of the Company), on its own account, or in partnership with, or as an employee, officer, director or shareholder of any other Person; provided, that the BC Investor and any Restricted Fund may not engage in or possess an interest in any business that derives more than 10% of its revenue from the leasing, selling or otherwise furnishing of fixed satellite transponder capacity to any Person (a “Competing Business”) so long as the BC Investor has the right to nominate at least one Director to the Board. “Restricted Fund” means any fund “under common control with” (as such term is defined by Regulation S-X of the Commission) either Sponsor except for any such fund that (i) does not invest in equity securities or (ii) operates as an equity hedge fund, an index fund or equivalent, holding a non-controlling position with respect to such portfolio investments. The BC Investor and each general partner thereof, each member, limited or general partner of each such general partner and each of their Affiliates, officers, directors, shareholders, employees and agents (other than any person who is a full time officer or employee of the Company or any of its subsidiaries) may (i) engage in, and shall have no duty to refrain from engaging in, separate businesses or activities from the Company or any of its subsidiaries except for any Competing Business as contemplated by the immediately preceding sentence, and (ii) do business with any potential or actual customer or supplier of the Company or any of its subsidiaries and (iii) employ or otherwise engage any officer or employee of the Company or any of its subsidiaries except for any officer that holds the position of chief executive officer, chief operating officer, chief financial officer, general counsel.

(b) Neither the BC Investor nor any of its Affiliates shall have any obligation to present any business opportunity to the Company or any of its subsidiaries, even if the opportunity is one that the Company or any of its subsidiaries might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the opportunity to do so, and no such Person shall be liable to the Company or any of its subsidiaries or the BC Investor for breach of any fiduciary or other duty, as a shareholder, by reason of the fact that such Person pursues or acquires such business opportunity, directs such business opportunity to another Person or fails to present such business opportunity, or information regarding such business opportunity, to the Company or any of its subsidiaries.

(c) Notwithstanding anything that may be expressed or implied in this Agreement, and notwithstanding the fact that certain of the parties may be partnerships or limited liability companies, each party hereto covenants, agrees and acknowledges that no recourse under this Agreement or any documents or instruments delivered in connection with this Agreement shall be had against any former, current or future directors, officers, agents, Affiliates, employees, general or limited partners, members, managers or stockholders of any party hereto or any of their successors or permitted assignees or any former, current or future directors, officers, agents, Affiliates, employees, general or limited partners, members, managers or stockholders of any of the foregoing, as such, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable law or otherwise, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any former, current or future directors, officers, agents, Affiliates, employees, general or limited partners, members, managers or stockholders of any party hereto or any of its successors or permitted assignees or any former, current or future directors, officers, agents, Affiliates, employees, general or limited partners, members, managers or stockholders of any of the foregoing, as such, for any obligation of any party hereto under this Agreement or any documents or instruments delivered in connection with this Agreement for any claim based on, in respect of or by reason of such obligations or their creation.

Section 4.07 Severability. In the event that any part or parts of this Agreement shall be held illegal or unenforceable by any court or administrative body of competent jurisdiction, such determination shall not affect the remaining provisions of this Agreement which shall remain in full force and effect. If legally permitted, the unenforceable provision will be replaced with an enforceable provision that as nearly as possible gives effect to the parties’ intent.

Section 4.08 Counterparts. This Agreement may be executed in two or more counterparts (including by facsimile or pdf format), each of which shall be deemed an original and all of which together shall be considered one and the same agreement.

Section 4.09 Recapitalization, Exchange, Etc. Affecting the Company’s Stock. Nothing in this Agreement shall prevent the Company (subject to Board approval) from effecting any recapitalization, corporate reorganization, “corporate inversion” involving the creation of one or more holding companies and/or holding company subsidiaries, or similar transaction. The provisions of this Agreement

shall apply, to the full extent set forth herein, with respect to any and all shares of Common Stock, and all of the other shares of capital stock of the Company or any successor or assignee of the Company (whether by merger, consolidation, sale of assets, business combination or otherwise) that may be issued in respect of, in exchange for, or in substitution of such shares of capital stock and shall be appropriately adjusted for any stock dividends, splits, reverse splits, combinations, recapitalizations, and the like occurring after the date hereof.

Section 4.10 Submission to Jurisdiction; Waiver of Jury Trial. EACH PARTY HERETO HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW YORK AND OF ANY NEW YORK STATE COURT SITTING IN THE CITY OF NEW YORK FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS GOVERNANCE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 4.11 Specific Performance. The Company and the BC Investor hereby acknowledge and agree that it is impossible to measure in money the damages which will accrue to the parties hereto by reason of the failure of any party hereto to perform any of its obligations set forth in this Agreement and that, in the event of any such failure, an aggrieved party will be irreparably damaged and will not have an adequate remedy at law. Any such party shall, therefore, be entitled (in addition to any other remedy to which such party may be entitled at law or in equity) to injunctive relief, including specific performance, to enforce such obligations, without the posting of any bond and if any action should be brought in equity to enforce any of the provisions of this Agreement, none of the parties hereto shall raise the defense that there is an adequate remedy at law.

Section 4.12 No Third Party Liability. This Agreement may only be enforced against the named parties hereto. All claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement (including any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement), may be made only against the entities that are expressly identified as parties hereto; and no past, present or future director, officer, employee, incorporator, member, partner, shareholder, Affiliate, agent, attorney or representative of any party hereto (including any Person negotiating or executing this Agreement on behalf of a party hereto), unless party to this Agreement, shall have any liability or obligation with respect to this Agreement or with respect any claim or cause of action (whether in contract or tort) that may arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement (including a representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement).

Section 4.13 Termination. This Agreement shall terminate on the earlier of (i) April 23, 2023 and (ii) the day on which the BC Investor (x) owns Shares representing less than 5% of the outstanding shares of Common Stock or (y) is no longer entitled to nominate a director. Termination of any provision of this Agreement shall not relieve any party from any liability for the breach of any obligations set forth in this Agreement prior to such termination. Notwithstanding anything contained herein to the contrary, the provisions of Section 1.02(c), Section 1.02(d), Section 1.04 and Article IV shall survive any termination of any provisions of this Agreement pursuant to this Section 4.13.

[Remainder of the page left intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Governance Agreement as of the date first above written.

COMPANY: **INTELSAT S.A.**

By: /s/Michelle V. Bryan
Name: Michelle V. Bryan

**SHAREHOLDERS –
BC INVESTOR:**

SERAFINA S.A.

By: /s/Pierre Stemper
Name: Pierre Stemper
Title: Director

By: /s/Christelle Rétif _____
Name: Christelle Rétif
Title: Director

SHAREHOLDERS AGREEMENT

BY AND AMONG

INTELSAT S.A.,

THE BC INVESTOR,

THE SILVER LAKE INVESTOR

AND

THE MCGLADE SHAREHOLDER

December 6, 2018

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Schedule A – BC Investor
Schedule B – Silver Lake Investor
Schedule C – McGlade Shareholder

SHAREHOLDERS AGREEMENT

This SHAREHOLDERS AGREEMENT (this “Agreement”), dated as of December 6, 2018, by and among Intelsat S.A., a Luxembourg *société anonyme*, RCS Luxembourg B162135 (the “Company”); the shareholder of the Company listed on Schedule A hereto (the “BC Investor”); the shareholders of the Company listed on Schedule B hereto (the “Silver Lake Investor” and, together with the BC Investor, the “Sponsors” and each, a “Sponsor”); David McGlade and the other shareholders of the Company listed on Schedule C hereto (the “McGlade Shareholder” and, together with the BC Investor and the Silver Lake Investor, the “Shareholders” and each, a “Shareholder”).

RECITALS

WHEREAS, the Company is party to (i) a Governance Agreement, dated as of April 23, 2013 (as amended from time to time, the “Existing Governance Agreement”), providing for the composition of the Board of Directors of the Company (the “Board”) and certain other matters, and (ii) three shareholders agreements, consisting of (a) a management shareholders agreement, effective as of February 4, 2008 (as amended from time to time and collectively with the individual side letters thereto, including, for avoidance of doubt, the McGlade Letter Agreement, the “Management Shareholders Agreement”), with the Sponsors and certain members of management, including David McGlade; (b) a shareholders agreement, dated as of February 4, 2008 (as amended from time to time, the “Sponsors Shareholders Agreement”), with the Sponsors; and (c) a shareholders agreement, dated as of February 4, 2008 (as amended from time to time, collectively with the Management Shareholders Agreement and the Sponsors Shareholders Agreement, the “Existing Shareholders Agreements”), with the Sponsors and two additional equity investors; and

WHEREAS, as a result of the passage of time and certain changes related to the Company’s share ownership, the parties desire to terminate the Existing Governance Agreement and the Existing Shareholders Agreements and enter into this Agreement, among the Company, the BC Investor, the Silver Lake Investor and the McGlade Shareholder, and a new governance agreement, dated as of the date hereof (the “2018 Governance Agreement”), between the Company and the BC Investor; and

WHEREAS, the parties understand that, by executing and delivering this Agreement and the 2018 Governance Agreement, the Existing Governance Agreement and the Existing Shareholders Agreements shall be terminated; and

WHEREAS, the parties hereto desire for this Agreement to contain the final, complete and exclusive agreement of the parties pertaining to its subject matter and supersede all prior written and oral agreements pertaining thereto; and

WHEREAS, as of the date of this Agreement, the Shareholders hold the number of shares of Common Stock of the Company (the “Shares”) as set forth opposite such Shareholder’s name on the Schedules hereto; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

Article I

CORPORATE GOVERNANCE

Section 1.01 Additional Provisions.

(a) Information Rights. Until such time as the Silver Lake Investor owns less than 5% of the outstanding Common Stock of the Company, the Silver Lake Investor shall be entitled to receive from the Company upon reasonable request any information that is required pursuant to any bona fide internal and external reporting or other legal/compliance obligation that the Silver Lake Investor or its direct or indirect shareholders may have, subject to the redaction of any information which in the Company’s good faith judgment (i) is not appropriate to disclose to a Person who does not have a fiduciary duty to the Company and its shareholders, (ii) the disclosure of which could subject the Company to risk of liability and (iii) is subject to any attorney-client or other privilege; provided that the Company shall not share any information that constitutes material non-public or price-sensitive information.

Section 1.02 Confidentiality.

(a) The Silver Lake Investor agrees and acknowledges that the Company may from time to time, pursuant to Section 1.01(a), share confidential, non-public information about the Company and any of its subsidiaries with the Silver Lake Investor.

(b) The Silver Lake Investor shall keep confidential any confidential, non-public information relating to the Company or any subsidiary received by the Silver Lake Investor pursuant to the information rights set forth in Section 1.01(a) and Section 1.02(a) hereof or any similar rights (the “Confidential Information”); provided, that (i) Confidential Information may be disclosed if required by applicable law, regulation or legal process (subject to the provisions of Section 1.02(c) below), (ii) the Silver Lake Investor may disclose Confidential Information to its (A) direct and indirect partners, members, investors, and prospective investors, (B) advisors, accountants, attorneys and (C) employees, agents, representatives (collectively (A) through (C), the “Representatives”). The term “Confidential Information” does not include information that (A) is or has become generally available to the public other than as a result of a direct or indirect disclosure by a Confidential Investor or any of its Representatives in breach of the provisions hereof, (B) was within the possession of a Confidential Investor or any of its Representatives from a source other than the Company prior to its being furnished to such Confidential Investor by or on behalf of the Company or (C) is received from a source other than the Company or its subsidiaries or any of their respective representatives or predecessor entities; provided, that in the case of each of (B) and (C) above, the source of such information was not believed by such Confidential Investor after reasonable inquiry to be bound by a confidentiality agreement with or other contractual, legal or fiduciary obligation of confidentiality to the Company with respect to such information. For the avoidance of doubt, notwithstanding the foregoing, nothing in this Section 1.02 shall prevent the Silver Lake Investor, so long as the Silver Lake Investor is a private equity fund, from making any periodic reports to its limited partners in the ordinary course of business consistent with past practice; provided, that, to the extent any such periodic reports contain any Confidential Information, the Silver Lake Investor shall inform such limited partners of the confidential nature of such Confidential Information and such limited partners shall agree to the restrictions contemplated by this Section 1.02 that are applicable to such Confidential Information.

(c) In the event that the Silver Lake Investor is required by applicable law, regulation or legal process to disclose any of the Confidential Information, the Silver Lake Investor shall promptly notify the Company in writing by facsimile and certified mail so that the Company may seek a protective order or other appropriate remedy. Nothing herein shall be deemed to prevent the Silver Lake Investor from honoring a subpoena (or governmental order) that seeks discovery of the Confidential Information if (A) a motion for a protective order,

motion to quash and/or other motion filed to prevent the production or disclosure of the Confidential Information has been denied or is not made; provided, however, that the Silver Lake Investor disclose only that portion of the Confidential Information which the Silver Lake Investor's outside legal counsel advises is legally required and that it exercise commercially reasonable efforts to preserve the confidentiality of the remainder of the Confidential Information; or (B) the Company consents in writing to having the Confidential Information produced or disclosed pursuant to the subpoena (or governmental order). In no event will the Silver Lake Investor or any of its Representatives oppose any action by the Company to obtain a protective order or other relief to prevent the disclosure of the Confidential Information or to obtain reliable assurance that confidential treatment will be afforded the Confidential Information. The Company shall promptly reimburse the Silver Lake Investor for any reasonable costs and expenses (including fees and disbursements of counsel) incurred in connection with any action that the Silver Lake Investor may be required to take, or is requested by the Company to take, under this Section 1.02(c).

Section 1.03 Governance Indemnification.

(a) The Company shall indemnify, pay, protect and hold harmless each member of the Board and the Silver Lake Investor and its representatives (collectively, the "Indemnitees") to the fullest extent permitted under applicable law from and against any and all losses which may be imposed on, incurred by, or asserted against the Indemnitee in any way relating to or arising out of, or alleged to relate to or arise out of, any action or inaction on the part of the Indemnitee when acting on behalf of the Company or any of its subsidiaries (the "Intelsat Group") in any capacity, including as a member of the Board or a committee thereof, board of directors or similar governing body of any member of the Intelsat Group or a committee thereof (other than for such losses which are finally judicially determined by a competent court to have resulted from such Indemnitee's fraud, gross negligence or willful misconduct). The Indemnitee shall have the right to employ joint counsel with the Company satisfactory to such Indemnitee and the Company shall reimburse the Indemnitee for the reasonable fees and expenses of such joint counsel; provided, however, that the Indemnitee shall also have the right to employ its own counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnitee unless: (x) the employment of such counsel has been specifically authorized in writing by the Company; (y) the Company has failed promptly to assume the defense and employ counsel reasonably satisfactory to the Indemnitee; or (z) the named parties to any such action (including any impleaded parties) include both the Indemnitee and the Company or any subsidiary or Affiliate of the Company, and such Indemnitee shall have reasonably concluded that either (A) there may be one or more legal defenses available to it which are different from or additional to those available to the Company or such subsidiary or Affiliate of the Company or (B) a conflict may exist between such Indemnitee and the Company or such subsidiary or Affiliate of the Company. These indemnification rights shall be cumulative, in addition to any other rights that the Indemnitees may have and shall inure to the benefit of their heirs, successors, assignees, and administrators.

(b) The Company hereby acknowledges that some of its directors (the "Specified Directors") may have certain rights to indemnification and advancement of expenses provided by other entities and/or organizations (collectively, the "Fund Indemnitors"). The Company hereby agrees and acknowledges (A) that it is the indemnitor of first resort with respect to the Specified Directors (i.e., its obligations to the Specified Directors are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by the Specified Directors are secondary), (B) that it shall be required to advance the full amount of expenses incurred by the Specified Directors and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement to the extent not prohibited by (and not merely to the extent affirmatively permitted by) applicable law and as required by this Agreement or the Articles (or any other agreement between the Company and the Specified Directors), without regard to any rights the Specified Directors may have against the Fund Indemnitors and (C) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees and acknowledges that no advancement or payment by the Fund Indemnitors on behalf of the Specified Directors with respect to any claim for which the Specified Directors have sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of the Specified Directors against the Company.

Section 1.04 Tag-Along Rights.

(a) In the event that the BC Investor intends to sell or otherwise Transfer any of its Shares to a third party that is not an Affiliate of the BC Investor (which for these purposes shall not include any limited partners of BC European Capital VIII to the extent distributed to such limited partners on a proportionate basis) (a "Proposed Transferee") (other than (i) any Transfer to a Permitted Transferee, (ii) Transfers in a Public Offering pursuant to Article III of this Agreement, (iii) a distribution of Shares by the BC Investor to its members, partners, unitholders or stockholders, (iv) pursuant to Rule 144 under the Securities Act (in transactions subject to any applicable volume and manner of sale limitations of that rule) or (v) pursuant to an Approved Transaction), whether by merger, consolidation or sale of the Company's

equity interests, then the BC Investor (the “Selling Investor”) shall notify the Silver Lake Investor and the McGlade Shareholder (each, a “Tag-Along Investor” and, together, the “Tag-Along Investors”), in writing, of such proposed Transfer and its terms and conditions (including without limitation, the identity of the Proposed Transferee, the aggregate number of Shares agreed to be purchased, purchase price, any escrow and indemnity arrangements, form of consideration and the terms of payment, the “Tag-Along Third Party Terms”). Within ten (10) Business Days of the date of such notice, each Tag-Along Investor shall notify the Selling Investor in writing if it elects to participate in such Transfer. If any Tag-Along Investor fails to so notify the Selling Investor within such ten (10) Business Day period, such Tag-Along Investor shall be deemed to have waived its rights hereunder.

(b) Any Tag-Along Investor that so notifies the Selling Investor shall have the right to sell to such third party, on the Tag-Along Third Party Terms, an amount of each class of Shares equal to the number of the same class of Shares the Proposed Transferee proposes to purchase, directly or indirectly, multiplied by a fraction, the numerator of which shall be the number of such class of Shares Owned by such Tag-Along Investor and the denominator of which shall be the aggregate number of such class of Shares Owned by the Selling Investor and all shares of Common Stock owned by such Tag-Along Investor and other shareholders of the Company who have exercised, in connection with such transaction, a right similar to the rights granted to such Tag-Along Investor in this Section 1.04.

(c) The Selling Investor shall have a period of sixty (60) days following the expiration of the ten (10) Business Day period mentioned above to enter into a definitive agreement to sell all the Shares agreed to be purchased by the Proposed Transferee on the Third-Party Terms. With respect to Shares proposed to be Transferred, if the Proposed Transferee agrees to purchase more Shares than specified in the Third-Party Terms, the Tag-Along Investor shall also have the same right to participate in the Transfer of such additional Shares that are in excess of the amount set forth on the Tag-Along Third-Party Terms in accordance with this Section. With respect to the Shares proposed to be Transferred, if the Selling Investor is unable to cause the Proposed Transferee to purchase all the Shares proposed to be Transferred by the Selling Investor, the Tag-Along Investors and the other shareholders of the Company who have exercised a right similar to the rights granted to the Tag-Along Investors in this Section 1.04, then the number of Shares that each such Shareholder is permitted to sell in such proposed Transfer shall be reduced *pro rata* as contemplated by Section 1.04(b).

(d) At the closing of the Transfer to any Proposed Transferee pursuant to this Section 1.04, the Proposed Transferee shall remit to any Tag-Along Investor who exercised its right under Section 1.04 (the “Tag-Along Right”) the consideration for the total sales price of the Shares held by such Tag-Along Investor sold pursuant hereto minus any such consideration to be escrowed or otherwise held back in accordance with the Tag-Along Third Party Terms. At the closing, such Tag-Along Investor shall deliver, or cause to be delivered, to the Proposed Transferee an instrument evidencing the Transfer of the subject Shares reasonably acceptable to the Company, and shall agree to comply with any other conditions to closing generally applicable to the Selling Investor and all other shareholders of the Company selling Shares in the transaction.

(e) This Section 1.04 shall automatically terminate at such time as either Sponsor owns less than 5% of the outstanding Common Stock of the Company.

Section 1.05 Drag-Along Rights.

(a) In connection with (i) the Transfer by the BC Investor or any of its Permitted Transferees (other than any Transfer to a Permitted Transferee) of at least 80% of the Shares owned by the BC Investor and its Permitted Transferees, as a whole, to a third party or parties that are not Affiliates of the BC Investor (a “Third Party Acquiror”) or (ii) a business combination of the Company with such Third Party Acquiror or the purchaser of all or substantially all of the assets of the Company by such Third Party Acquiror (any of the transactions described in clauses (i) and (ii), a “Sale Transaction”), the BC Investor shall have the right (the “Drag-Along Right”) to require that the Silver Lake Investor, the McGlade Shareholder and any of their respective Permitted Transferees (collectively, the “Subject Investors”), include in such Sale Transaction, on a pro rata basis, Shares then held by the Subject Investors of the same class as the Shares subject to such Sale Transaction. Notwithstanding the foregoing, the Subject Investors shall not be subject to any Drag-Along Right unless under the terms of the Sale Transaction, such Subject Investors receive consideration for their Shares to be included in such Sale Transaction equal to at least the initial cost of the Silver Lake Investor’s investment in the Company as of February 4, 2008.

(b) For the avoidance of doubt, the BC Investor shall be entitled to exercise this Drag-Along Right with respect to the Subject Investors only if one or more of the BC Investor and its Permitted Transferees are participating in such Transfer.

(c) To exercise a Drag-Along Right, the BC Investor shall give each Subject Investor a written notice (a “Drag-Along Notice”) containing (i) the name and address of the Third Party Acquiror and (ii) the terms and conditions of the Sale Transaction (including the identity of the Third Party Acquiror, the aggregate number of Shares agreed to be purchased by the Third Party Acquiror, the purchase price, any escrow and indemnity arrangements, the form of consideration and the terms of payment, the “Drag-Along Third Party Terms”). Each Subject Investor shall thereafter be obligated to sell its Shares (including any warrants or options owned by such Subject Investor) pursuant to the Drag-Along Third Party Terms.

(d) The BC Investor shall have a period of sixty (60) days following the date of the Drag-Along Notice to enter into a definitive agreement to sell all the Shares agreed to be purchased by the Third Party Acquiror on the Drag-Along Third Party Terms. With respect to the Shares proposed to be Transferred, if the BC Investor is unable to cause the Third Party Acquiror to purchase all the Shares proposed to be Transferred by the BC Investor (and its Permitted Transferees) and the Subject Investors, then the number of Shares that each such shareholder is required to sell in such proposed Transfer shall be reduced pro rata based on the number of Shares proposed to be Transferred by such shareholder relative to the aggregate number of Shares proposed to be Transferred by all shareholders of the Company participating in such proposed Transfer.

(e) At the closing of the Transfer pursuant to this Section 1.05, the Third Party Acquiror shall remit to the shareholders participating in such Sale Transaction the consideration for the total sales price of the Shares held by the shareholders sold pursuant hereto minus any consideration to be escrowed or otherwise held back in accordance with the Drag-Along Third Party Terms, if applicable. At the closing of the Transfer pursuant to this Section 1.05, the shareholders participating in such Transfer shall deliver to the Third Party Acquiror the certificates with respect to the Shares, if any, to be conveyed, duly endorsed and in negotiable form with any required documentary stamps affixed thereto or with an instrument evidencing the Transfer subject to the Drag-Along Right reasonably acceptable to the Company and shall agree to comply with any other conditions to closing generally applicable to the BC Investor and all other shareholders selling Shares in the transaction.

(f) The Subject Investors shall consent to and raise no objections against the transaction triggering such Drag-Along Right and if such transaction is structured as a sale of stock, each Subject Investor shall take all actions that the Board reasonably deems necessary or desirable in connection with the consummation of the transaction; provided, however, the foregoing shall apply only if, under the terms of such transaction, the treatment of the Subject Investors shall be consistent with the treatment of the BC Investor, and that all representations, warranties, covenants, indemnities and agreements shall be made by the relevant shareholders severally and not jointly and that the aggregate amount of each Subject Investor’s, as the case may be, responsibility for any liabilities shall not exceed such Subject Investor’s pro rata share thereof, determined in accordance with such Subject Investor’s portion of the total number of Shares included in such Transfer; provided, further, that (x) in no event shall the aggregate amount of liability of any such Subject Investor exceed the proceeds such Subject Investor actually received in connection with the Transfer and (y) no Subject Investor shall be obligated to agree to any non-compete provisions without the written consent of each such Subject Investor participating in such Transfer. Without limiting the generality of the foregoing, and subject to the preceding sentence, each such Subject Investor agrees to (i) consent to and raise no objections against the transaction; (ii) execute any Share purchase agreement, merger agreement or other agreement entered into with the transferee with respect thereto; (iii) vote the Shares held by such Subject Investor in favor of the transaction triggering such Drag-Along Right and against any alternative transaction; (iv) refrain from the exercise of dissenters’ or appraisal rights with respect to the transaction; and (v) agree to any customary non-solicit provisions relating to employees of the Company requested in connection with such Transfer to the extent that other Subject Investors are required to agree to a similar non-solicit provision.

(g) If any such Subject Investor receives securities which are Illiquid Securities as proceeds in connection with a Transfer contemplated by this Section 1.05, solely to the extent received by the BC Investor, such Subject Investor shall receive the right to tag-along on transfers by the BC Investor and be subject to drag-along rights of BC Investor with respect to such securities that are substantially similar to the tag-along rights and drag-along rights applicable to Shares of such Subject Investor under this Agreement and shall receive registration rights with respect to such securities that are substantially similar to the registration rights applicable to Shares under this Agreement to the extent received by the BC Investor; provided, that such rights may cease at such time as such securities are no longer Illiquid Securities.

(h) This Section 1.05 shall automatically terminate at such time as either (i) the Sponsors together own in the aggregate less than 10% of the outstanding Common Stock of the Company or (ii) either Sponsor ceases to own any shares.

Section 1.06 Regulatory Matters. No Shareholder shall Transfer any equity interests in the Company prior to receipt of all regulatory or legal approvals that, based on advice of counsel, are required for such Transfer. To the extent that any regulatory or legal filings are so required in connection with such proposed Transfer, the Company shall cooperate and use its commercially reasonable efforts to obtain or, if applicable, assist such Shareholders in obtaining, such approvals. For the avoidance of doubt, commercially reasonable efforts of the Company under this Section 1.06 shall include the payment by the Company of reasonable fees and expenses of the Company or its subsidiaries related to such regulatory or legal filings; provided, that nothing in this Section 1.06 to the contrary shall require the Company to incur any fees and expenses related to any registered offering, the payment of which shall be governed by the applicable terms and conditions of Article III of this Agreement. In addition, no Shareholder shall be entitled to Transfer its Shares at any time if such Transfer would violate the Securities Act, or any state (or other jurisdiction) securities or “Blue Sky” laws applicable to the Company or the Shares.

Section 1.07 Effect of Transfer; Transfers and Counterparties to the Agreement. Other than Transfers to Permitted Transferees, no Shareholder shall be entitled to Transfer any rights provided to such Shareholder under Article I of this Agreement without the prior approval of the Board. No Transfer of any Shares to any Permitted Transferee of any Shareholder shall become effective unless and until such Permitted Transferee (unless already a party to this Agreement) executes and delivers to the Company a counterpart to this Agreement, agreeing to be bound by the terms hereof in the same manner as the transferring Shareholder. Upon such Transfer and such execution and delivery, the Permitted Transferee shall be bound by, and entitled to the benefits of, this Agreement with respect to the transferred Shares in the same manner as the transferring Shareholder.

Article II

[RESERVED]

Article III

REGISTRATION RIGHTS

Section 3.01 Sponsor Requested Registration.

(a) Request for Registration. If the Company shall receive from a Sponsor, at any time after the effective date of this Agreement, a written request that the Company effect a Registration with respect to all or a part of the Registrable Securities held by such Sponsor (such Sponsor, the “Initiating Investor”), the Company will (1) promptly give written notice of the proposed Registration to all other Shareholders; and (2) as soon as practicable, use its commercially reasonable efforts to effect such Registration (including, without limitation, filing post-effective amendments, appropriate qualification under applicable blue sky or other state securities laws and appropriate compliance with applicable regulations issued under the Securities Act) as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Registrable Securities of any Initiating Investor or Initiating Investors as are specified in such request, together with all or such portion of the Registrable Securities of other Shareholders joining in such request as are specified in a written request of such Shareholders received by the Company within fifteen (15) business days after written notice from the Company is given under Section 3.01(a) above; provided that the Company shall not be obligated to effect, or take any action to effect, any such Registration pursuant to this Section 3.01:

(i) in any jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such Registration, qualification or compliance, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act or applicable rules or regulations thereunder;

(ii) during the period following any underwritten public offering by the Company as contemplated by Section 3.01(b) hereof, as such period may be extended by the underwriter representative;

(iii) if the Company shall furnish to the Initiating Investor a certificate signed by the Chief Executive Officer of the Company stating that in the good faith judgment of the Board it would be materially detrimental to the Company or its shareholders for such registration statement to be filed in the near future, in which case the Company’s obligation to use its commercially

reasonable efforts to comply with this Article IV shall be deferred for one or more periods not to exceed ninety (90) days in the aggregate in any twelve-month period; or

(iv) with respect to the Silver Lake Investor only, after the Company has effected one (1) such Registration requested by the Silver Lake Investor pursuant to this Section 3.01 during the previous 12 month period.

In the event the Company is not obligated to effect any requested Registration by virtue of the foregoing clauses (i) through (iv), such request shall not be deemed to be a request for Registration for purposes of this Section 3.01(a). The registration statement filed pursuant to the request of the Initiating Investors, subject to the provisions of Section 3.01(b)(ii) below, may include other securities of the Company which are held by the McGlade Shareholder, in accordance with the procedures set forth in Section 3.02. The Initiating Investor may specify that the Registration shall be a “shelf” registration statement, a registration document plus offering supplement, or such other form as the applicable governmental or regulatory authorities may from time to time accept to facilitate delayed or continued offerings of securities as permitted by applicable law, in which case the intended method of distribution contained in the Initiating Investor’s request may be general in nature or contemplate multiple methods of distribution.

(b) Underwriting.

(i) If the Initiating Investors intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Section 3.01(a) and shall have the right to select the managing underwriter or underwriters to administer the offering; provided that such managing underwriter or underwriters shall be reasonably acceptable to the Company.

(ii) If the McGlade Shareholder requests such inclusion, the Initiating Investors shall offer to include the securities of the McGlade Shareholder in the underwriting and may condition such offer on their acceptance of the further applicable provisions of this Article III. The Initiating Investors whose shares are to be included in such Registration and the Company shall (together with the McGlade Shareholder, if proposing to distribute their securities through such underwriting) complete and execute all questionnaires, indemnities, powers of attorney and other documents required for such underwriting and enter into an underwriting agreement in customary form, with the representative of the underwriter or underwriters selected for such underwriting.

(iii) Notwithstanding any other provision of this Section 3.01, if the representative advises the Company and the Initiating Investors in writing that marketing factors require a limitation on the number of shares to be underwritten, the number of shares included in the registration by the Shareholders shall be reduced on a pro rata basis (based on the number of shares held by such Shareholder), by such minimum number of shares as is necessary to comply with such request. No Registrable Securities or any other securities excluded from the underwriting by reason of the underwriter’s marketing limitation shall be included in such Registration. If the inclusion of the securities of the McGlade Shareholder causes any of the Registrable Securities included in a written request by the Initiating Investors pursuant to Section 3.01(a) to be excluded from the underwriting by reason of the underwriter’s marketing limitation, such request shall not be deemed to be a demand for Registration for purposes of this Section 3.01. If the McGlade Shareholder has requested inclusion in such Registration as provided above and disapproves of the terms of the underwriting, the McGlade Shareholder may elect to withdraw therefrom by written notice to the Company, the underwriter and the Initiating Investors. The securities so withdrawn shall also be withdrawn from Registration. If the underwriter has not limited the number of Registrable Securities or other securities to be underwritten, the Company and officers and directors of the Company (who are not already included in the registration) may include its or their securities for its or their own account in such Registration if the representative so agrees and if the number of Registrable Securities and other securities which would otherwise have been included in such Registration and underwriting will not thereby be limited.

Section 3.02 Company Registration.

(a) If the Company shall determine to Register any of its equity securities either for its own account or for the account of any Shareholder (including following the exercise of the rights set forth in Section 3.01), other than a Registration (x) relating solely to employee stock or benefit plans, (y) relating solely to a Commission Rule 145 transaction, or (z) on any registration form which does not permit

secondary sales or does not include substantially the same information as would be required to be included in a registration statement covering the sale of Registrable Securities, the Company will:

(i) promptly give to each Shareholder a written notice thereof; and

(ii) include in such Registration (and any related qualification under blue sky laws or other compliance), and in any underwriting involved therein, all the Registrable Securities specified in a written request or requests, made by the Shareholders within fifteen (15) days after receipt of the last written notice from the Company described in clause (a) above, as the case may be, except as set forth in Section 3.02(b)(ii) below. Such written request may specify all or a part of the Shareholders' Registrable Securities, as the case may be.

(b) Underwriting.

(i) If the Registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise each of the Shareholders as a part of the written notice given pursuant to Section 3.02(a)(i). In such event, the right of each of the Shareholders to Registration pursuant to this Section 3.02 shall be conditioned upon such Shareholder's participation in such underwriting and the inclusion of such Shareholder's Registrable Securities in the underwriting to the extent provided herein. The Shareholders whose shares are to be included in such Registration shall (together with the Company) agree to sell such Shareholder's shares on the basis provided in any customary underwriting arrangements approved by the Company and complete and execute all customary questionnaires, power of attorney, indemnities and other documents, in each case in customary form, required for such underwriting arrangements and enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected for underwriting by the Company.

(ii) Notwithstanding any other provision of this Section 3.02, if the representative of the underwriter or underwriters determines that marketing factors require a limitation on the number of shares to be underwritten, the representative may (subject to the allocation priority set forth below) exclude from such Registration and underwriting some or all of the Registrable Securities which would otherwise be underwritten pursuant hereto. The Company shall so advise all Shareholders of securities requesting Registration, and the number of shares of securities that may be included in the Registration and underwriting by each of the Shareholders shall be reduced, on a pro rata basis (based on the number of shares of the class to be registered held by such Shareholders), by such minimum number of shares as is necessary to comply with such limitation. For the avoidance of doubt, none of the securities being Registered by the Company for its own account shall be excluded. If any of the Shareholders or any officer or director disapproves of the terms of any such underwriting, he or she may elect to withdraw therefrom by written notice to the Company and the underwriter. Any Registrable Securities or other securities excluded or withdrawn from such underwriting shall be withdrawn from such registration.

The Company shall give written notice to all Shareholders of the receipt of a request for registration pursuant to this Section 3.02 and shall provide a reasonable opportunity for the McGlade Shareholder to participate in the Registration on substantially the same terms as the Company's participation therein; provided, that the Sponsors are not treated more favorably than the McGlade Shareholder with respect to customary piggyback rights, customary cutbacks and other limitations; and provided further, that if the Registration is for an underwritten offering, the terms of Section 3.02(b) shall apply to all participants in such offering.

(c) No Registration of Registrable Securities effected pursuant to a request under this Section 3.02 shall be deemed to have been effected pursuant to Section 3.01 or shall relieve the Company of its obligations under Section 3.01.

Section 3.03 Company Control. The Company may decline to file a registration statement referenced in Section 3.01 or 3.02, or withdraw such registration statement after filing, but prior to the effectiveness of the registration statement; provided that such restriction applies to all security holders selling securities through such registration statement; provided further that the Company shall promptly notify each Shareholder participating in the offering covered by such registration statement in writing of any such action. The Shareholders shall not be permitted to sell any securities pursuant to Section 3.01 or 3.02 at any time that the Board determines in good faith that it would be materially detrimental to the Company or its shareholders for sales of securities to be made; provided that all Shareholders shall be treated consistently in connection with each such determination; and provided further, that the Company shall promptly notify each Shareholder in writing of any such action. The Company shall have the sole discretion to select any and all underwriters that may participate in any underwritten offering.

Section 3.04 Expenses of Registration. All Registration Expenses incurred in connection with any Registration, qualification or compliance pursuant to this Article III shall be borne by the Company and the Shareholders pro rata to the respective amounts of securities proposed to be sold by each in the offering (if any), except that (a) notwithstanding the foregoing, the Company shall bear such pro rata Registration Expenses attributable to the McGlade Shareholder and (b) the following expenses shall be borne by the Shareholders incurring the same: (i) the costs and expenses of counsel to such Shareholder to the extent such Shareholder retains counsel (except the costs of one legal counsel for all selling shareholders to the extent retained, which shall be borne by the Company); (ii) discounts, commissions, fees or similar compensation owing to underwriters, selling brokers, dealer managers or other industry professionals, to the extent relating to the distribution or sale of such Shareholder's securities; and (iii) transfer taxes with respect to the securities sold by such Shareholder.

Section 3.05 Registration Procedures. In the case of each Registration effected by the Company pursuant to this Article III, the Company will keep the Shareholders, as applicable, advised in writing as to the initiation of each Registration, the effective time of each such Registration and as to the completion thereof. At its expense, the Company will, subject to the terms of this Article III:

(a) keep such Registration that has become effective continuously current and effective, and not subject to any stop order, injunction or other similar order or requirement of the Commission, until the earlier of (x) the expiration of the Required Period and (y) the date on which all Registrable Securities covered by such Registration (i) have been disposed of pursuant to such Registration or (ii) cease to be Registrable Securities; provided that in no event will such period expire prior to the expiration of the applicable period referred to in Section 4(3) of the Securities Act and Rule 174 promulgated thereunder. In the event of any stop order, injunction or other similar order or requirement of the Commission or any other governmental or regulatory authority relating to any Registration, the Required Period for such Registration will be extended by the number of days during which such stop order, injunction or similar order or requirement is in effect. No request for Registration for purposes of Section 3.01(a) shall be deemed to have been effected while (x) such Registration is interfered with by any stop order, injunction or other order or requirement of the Commission or other governmental or regulatory authority or (ii) the conditions to closing specified in the underwriting agreement, if any, entered into in connection with such Registration are not satisfied other than by reason of a wrongful act, misrepresentation or breach of such applicable underwriting agreement by the Initiating Investor.

(b) furnish such number of prospectuses, offer documents and other documents incident thereto as each of the Shareholders, as applicable, from time to time may reasonably request;

(c) notify each of the Shareholders of Registrable Securities covered by such Registration at any time when a prospectus relating thereto is required to be delivered under the Securities Act or other applicable law of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(d) furnish, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters or, if such securities are not being sold through underwriters, on the date that the registration statement with respect to such securities becomes effective, (i) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such Registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and (ii) a letter, dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters, if any, and if permitted by applicable accounting standards;

(e) before filing any registration statement, prospectus, offer document and other documents incident or any amendments or supplements thereto, the Company shall furnish to and afford each Shareholder of Shares covered by such document, and its advisors, and the managing underwriters, if any, a reasonable opportunity to review and comment on copies of all such documents (including copies of all exhibits thereto) proposed to be filed;

(f) make available upon reasonable advance notice for inspection by any Shareholder of such Registrable Securities, any underwriter participating in any such distribution and any attorney, accountant or other professional retained by any such Shareholder or underwriter, all financial and other records, pertinent corporate documents and properties of the Company as shall be reasonably necessary to enable them to conduct a “reasonable” investigation for purposes of Section 11(a) of the Securities Act and other applicable antifraud and securities laws and cause the Company’s officers, directors and employees to make available for inspection all information reasonably requested by such Shareholders in connection with such Registration;

(g) use its commercially reasonable efforts to cause all Registrable Securities covered by a Registration to be listed or qualified for trading on any stock exchange or quotation service on which the Company’s outstanding Shares are listed or qualified for trading;

(h) comply with all applicable rules and regulations of the applicable governmental or regulatory authority and, in the case of a U.S. public offering, make generally available to security holders an earning statement satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder (or any similar rule promulgated under the Securities Act) not later than 45 calendar days after the end of any 12-month period (or 90 calendar days after the end of any 12-month period if such period is a fiscal year) (A) commencing at the end of any fiscal quarter in which Registrable Securities are sold to underwriters in a public offering and (B) if not sold to underwriters in such an offering, commencing on the first day of the fiscal quarter of the Company after the effective date of a registration statement, which statements shall cover said 12-month periods;

(i) cooperate with each Shareholder and the managing underwriter, if any, participating in the disposition of such Registrable Securities in connection with any filings required to be made with the National Association of Securities Dealers, Inc. or any other analogous regulation; and

(j) use its commercially reasonable efforts to take all other steps reasonably necessary to effect the Registration, qualification, offering and sale of the Registrable Securities covered by a Registration contemplated hereby and enter into any other customary agreements and take such other actions, including participation in “roadshows”, as are reasonably required in order to expedite or facilitate the disposition of such Registrable Securities.

Section 3.06 Indemnification.

(a) To the extent permitted by law, the Company will indemnify, as applicable, the McGlade Shareholder and each of the Sponsors and its officers, directors and partners and each Person controlling each of the Sponsors, with respect to each Registration which has been effected pursuant to this Article III, and each underwriter for such Sponsors, if any, and each person who controls any underwriter, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any of the following (each, a “Violation”): (x) any untrue statement (or alleged untrue statement) of a material fact contained in any prospectus, offering circular or other document (including any related registration statement, notification or the like) incident to any such registration, qualification or compliance, (y) any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (z) any violation by the Company of the Securities Act or the Exchange Act or any rule or regulation thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any such Registration, qualification or compliance; and will reimburse the McGlade Shareholder and each of the Sponsors and its officers, directors and partners, and each Person controlling each of the Sponsors, each such underwriter and each Person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating and defending any such claim, loss, damage, liability or action; provided that the Company will not be liable in any such case to any Shareholder, underwriter or controlling person to the extent that any such claim, loss, damage, liability or expense arises out of or is based upon a Violation which occurs in reliance upon information furnished to the Company by the Shareholder, underwriter or controlling person seeking to be indemnified, where such information is specifically provided in writing for use in such prospectus, offering circular or other document.

(b) Each of the Shareholders will, if Registrable Securities held by it are included in the securities as to which such Registration, qualification or compliance is being effected, indemnify the Company, each of its directors and officers and each underwriter, if any, of the Company's securities covered by such a registration statement, each person who controls the Company or such underwriter, each other selling shareholder and each of their officers, directors, and partners, and each person controlling such other shareholder against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any such registration statement, prospectus, offering circular or other document made by such Shareholder, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements by such Shareholder therein not misleading, and will reimburse the Company and such other shareholders, directors, officers, partners, persons, underwriters or control persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to the Company by such Shareholder and stated to be specifically for use therein; provided, however, that the obligations of each of the Shareholders hereunder shall be limited to an amount equal to the net proceeds to such Shareholder of securities sold as contemplated herein.

(c) Each party entitled to indemnification under this Section 3.06 (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom; provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or any litigation resulting therefrom, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld) and the Indemnified Party may participate in such defense at such party's expense (unless the Indemnified Party shall have reasonably concluded that there may be a conflict of interest between the Indemnifying Party and the Indemnified Party in such action, in which case the fees and expenses of counsel shall be at the expense of the Indemnifying Party); provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Article III unless the Indemnifying Party is materially prejudiced thereby. No Indemnifying Party, in the defense of any such claim or litigation shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation. Each Indemnified Party shall furnish such information regarding itself or the claim in question as an Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with the defense of such claim and litigation resulting therefrom.

(d) If the indemnification provided for in this Section 3.06 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any loss, liability, claim, damage or expense referred to herein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party hereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the Indemnified Party on the other in connection with the statements or omissions which resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations except that such contribution shall be limited to an amount equal to the net proceeds to such Shareholder of securities sold as contemplated herein. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue (or alleged untrue) statement of a material fact or the omission (or alleged omission) to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with any underwritten public offering contemplated by this Agreement are in conflict with the foregoing provisions, the provisions in such underwriting agreement shall be controlling.

(f) The Company will not be liable to any Shareholder to the extent that any claims, losses, damages and liabilities arise out of or are based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any preliminary prospectus if either (i) such untrue statement or alleged untrue statement or such omission or alleged omission was corrected in a final prospectus or issuer free writing prospectus provided to such Shareholder and the underwriters prior to the confirmation of the sale of relevant securities to the Person asserting the claim from which such losses, damages and liabilities arise, and such Shareholder or underwriter thereafter failed to send or deliver a copy of the final prospectus or issuer free writing prospectus with or prior to the delivery of written confirmation of such sale in any

case in which such delivery is required under the Securities Act or other applicable law or (ii) such untrue statement or alleged untrue statement or omission or alleged omission was corrected in an amendment or supplement to the final prospectus or issuer free writing prospectus previously furnished by or on behalf of the Company and such final prospectus or issuer free writing prospectus as so amended or supplemented was provided to such Shareholder or underwriter prior to the confirmation of the sale of the relevant securities to the Person asserting the claim from such losses, damages and liabilities arise, and such Shareholder or underwriter thereafter failed to send or deliver such final prospectus or issuer free writing prospectus as so amended or supplemented with or prior to the delivery of written confirmation of such sale in any case in which such delivery is required under the Securities Act or other applicable law.

Section 3.07 Information by the Shareholders. Each of the Shareholders holding securities included in any Registration shall furnish to the Company such information regarding such Shareholder and the distribution proposed by such Shareholder as the Company may reasonably request in writing and as shall be reasonably required in connection with any Registration, qualification or compliance referred to in this Article III.

Section 3.08 “Market Stand-off” Agreement.

(a) Each of the Shareholders agrees not to sell or otherwise transfer or dispose of any Registrable Securities held by such Shareholder, if requested by the Company, an Initiating Investor or an underwriter of equity securities of the Company, for a period not longer than the 90-day period following the consummation of an underwritten public offering covered by any registration statement of the Company filed under the Securities Act; provided that if such offering includes a primary underwritten offering by the Company, all directors and substantially all officers of the Company enter into similar agreements; and provided further that if such offering does not include a primary underwritten offering by the Company, the Shareholders shall only be required to enter into such agreements if such Shareholder is selling shares in connection with such offering.

(b) If requested by the underwriters, the Shareholders shall execute a separate agreement to the foregoing effect. The Company may impose stop transfer instructions with respect to the shares (or securities) subject to the foregoing restriction until the end of said period. The provisions of this Section 3.08 shall be binding upon any transferee who acquires Registrable Securities other than those obtained in a sale pursuant to Rule 144 or as a result of an effective registration statement.

Section 3.09 Transfer of Registration Rights. The registration rights set forth in this Article III may be assigned, in whole or in part, to any Permitted Transferee (who shall be bound by all obligations of this Agreement), provided that such Transfer is in accordance with the terms of this Agreement.

Section 3.10 Termination. The provisions of this Article III shall not be available and shall terminate (i) as to the McGlade Shareholder, at such time as all of the Registrable Securities held by the McGlade Shareholder have been sold in a registration pursuant to the Securities Act or pursuant to Rule 144 and (ii) as to any Sponsor, at such time as such Sponsor owns less than 5% of the outstanding Common Stock of the Company.

Section 3.11 Unregistered Offerings.

(a) The parties hereto hereby agree that, in the event that the Company or a Sponsor proposes to make an underwritten offering of the Shares (a) that is exempt from, or not subject to, any requirement to obtain Registration and (b) with respect to which the Sponsor or Sponsors proposing such underwritten offering request the cooperation and participation of the Company or the management of the Company in performing due diligence and marketing such offering to potential investors, the relevant notice provisions of Section 3.01 or 3.02 will apply and the required notice will state that the offering is proposed to be made on an unregistered basis.

(b) In that event, the parties agree to proceed with such an offering on an unregistered basis in good faith as and to the extent provided herein with respect to a registered offering and that the registration rights provisions of this Agreement will apply mutatis mutandis to such unregistered offering, including, without limitation, provisions relating to the Company’s ability to delay an offering, allocations of securities included in an offering, the Company’s obligations with respect to an offering (including indemnification provisions and procedures), selection of underwriters, hold-back agreements, expenses associated with an offering and other matters.

(c) The Company covenants that it will file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted thereunder (or, if the Company is not required to file such reports, it will, upon the reasonable request of the applicable Sponsor, make publicly available such necessary information for so long as necessary to permit sales pursuant to Rules 144, 144A or Regulation S under the Securities Act), and it will take such further action as such Sponsor may reasonably request, all to the extent required from time to time to enable such Sponsor to sell its Shares without Registration under the Securities Act within the limitation of the exemptions provided by Rules 144, 144A or Regulation S under the Securities Act, as such rules may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission. Upon the reasonable request of a Sponsor, the Company will deliver to such Sponsor a written statement as to whether it has complied with such requirements and, if not, the specifics thereof.

Article IV

REPRESENTATIONS; WARRANTIES AND COVENANTS

Section 4.01 Representations and Warranties of the Shareholders. Each Shareholder hereby represents and warrants, severally and not jointly, and solely on its own behalf, to each other Shareholder and to the Company that on the date hereof:

(a) Existence; Authority; Enforceability. Such Shareholder has the necessary power and authority to enter into this Agreement and to carry out its obligations hereunder. Such Shareholder is duly organized and validly existing under the laws of its jurisdiction of organization (if not an individual), and the execution of this Agreement, and the consummation of the transactions contemplated herein, have been authorized by all necessary corporate or other action, and no other act or proceeding, corporate or otherwise, on its part is necessary to authorize the execution of this Agreement or the consummation of any of the transactions contemplated hereby. This Agreement has been duly executed by such Shareholder and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and any implied covenant of good faith and fair dealing.

(b) Absence of Conflicts. The execution and delivery by such Shareholder of this Agreement and the performance of its obligations hereunder do not and will not (i) conflict with, or result in the breach of any provision of the constitutive documents of such Shareholder (if not an individual); (ii) result in any violation, breach, conflict, default or event of default (or an event which with notice, lapse of time, or both, would constitute a default or event of default), or give rise to any right of acceleration or termination or any additional payment obligation, under the terms of any material contract, agreement or permit to which such Shareholder is a party or by which such Shareholder's assets or operations are bound or affected; or (iii) violate, in any material respect, any law applicable to such Shareholder.

(c) Consents. Other than any consents that have already been obtained, no governmental consent, waiver, approval, authorization, exemption, registration, license or declaration is required to be made or obtained by such Shareholder in connection with (i) the execution, delivery or performance of this Agreement or (ii) the consummation of any of the transactions contemplated herein.

Section 4.02 Representations and Warranties of the Company. The Company hereby represents and warrants to each Shareholder that on the date hereof:

(a) Existence; Authority; Enforceability. The Company has the necessary power and authority to enter into this Agreement and to carry out its obligations hereunder. The Company is duly organized and validly existing under the laws of its jurisdiction of organization, and the execution of this Agreement, and the consummation of the transactions contemplated herein, have been authorized by all necessary corporate or other action, and no other act or proceeding on its part is necessary to authorize the execution of this Agreement or the consummation of any of the transactions contemplated hereby. This Agreement has been duly executed by the Company and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and any implied covenant of good faith and fair dealing.

(b) Absence of Conflicts. The execution and delivery by the Company of this Agreement and the performance of its obligations hereunder do not and will not (i) conflict with, or result in the breach of any provision of the organizational documents of the Company or

any of its subsidiaries; (ii) result in any violation, breach, conflict, default or event of default (or an event which with notice, lapse of time, or both, would constitute a default or event of default), or give rise to any right of acceleration or termination or any additional payment obligation, under the terms of any material contract, agreement or permit to which the Company or any of its subsidiaries is a party or by which the Company's or any of its subsidiaries' assets or operations are bound or affected; or (iii) violate, in any material respect, any law applicable to the Company or any of its subsidiaries.

(c) Consents. Other than any consents that have already been obtained, no governmental consent, waiver, approval, authorization, exemption, registration, license or declaration is required to be made or obtained by the Company or any of its subsidiaries in connection with (i) the execution, delivery or performance of this Agreement or (ii) the consummation of any of the transactions contemplated herein.

Section 4.03 Entitlement of the Company and the Shareholders to Rely on Representations and Warranties. The foregoing representations and warranties may be relied upon by the Company and by the Shareholders in connection with the entering into of this Agreement.

Article V

INTERPRETATION OF THIS AGREEMENT

Section 5.01 Defined Terms As used in this Agreement, the following terms have the respective meaning set forth below:

(a) "Affiliate" shall mean any Person, directly or indirectly controlling, controlled by or under common control with such Person. For these purposes, "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

(b) "Agreement" shall have the meaning set forth in the preamble.

(c) "Approved Transaction" means a Transfer to a third party that (i) enters into a definitive written agreement with the Company to consummate a transaction that would result in such third party obtaining not less than ninety-five percent of the total outstanding number of the Company's voting securities (including by means of merger, consolidation, sale of the Company's equity interests or any combination thereof) and that is open on the same terms to all shareholders of the Company or (ii) commences a tender offer or an exchange offer for not less than ninety-five percent of the total outstanding number of the Company's voting securities and that is open on the same terms to all shareholders of the Company, in each case of clauses (i) and (ii) which is approved by the Board.

(d) "Articles" means the Amended and Restated Articles of Incorporation of the Company dated April 18, 2013, as amended from time to time.

(e) "BC Investor" shall have the meaning set forth in the preamble.

(f) "Board" shall have the meaning set forth in the recitals.

(g) "Business Day" means any day other than a Saturday or Sunday or a day on which commercial banks are required or permitted by law to be closed in the City of New York in the State of New York.

(h) "Commission" shall mean the U.S. Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

(i) "Common Stock" shall mean the common shares of the Company, nominal value \$0.01 per share, and any shares of capital stock of the Company issued or issuable with respect to such shares by way of a stock dividend or distribution payable thereon or stock split, reverse stock split, recapitalization, reclassification, reorganization, exchange, subdivision or combination thereof.

- (j) “Company” shall have the meaning set forth in the preamble.
- (k) “Confidential Information” shall have the meaning set forth in Section 1.02(b).
- (l) “Confidential Investors” shall have the meaning set forth in Section 1.02(b).
- (m) “Drag-Along Notice” shall have the meaning set forth in Section 1.05(c).
- (n) “Drag-Along Right” shall have the meaning set forth in Section 1.05(a).
- (o) “Drag-Along Third Party Terms” shall have the meaning set forth in Section 1.05(c).
- (p) “Exchange Act” shall mean the Securities Exchange Act of 1934.
- (q) “Existing Governance Agreement” shall have the meaning set forth in the recitals.
- (r) “Existing Shareholders Agreements” shall have the meaning set forth in the recitals.
- (s) “Fund Indemnitors” shall have the meaning set forth in Section 1.03(b).

(t) “Illiquid Securities” shall mean securities which are not traded or quoted on one or more national securities exchanges (within the meaning of the Exchange Act) or the NASDAQ Global Market or on a comparable securities market or exchange existing now or in the future, or which are so traded or quoted but which are subject to a contractual restriction on transfer.

- (u) “Indemnified Party” shall have the meaning set forth in Section 3.06.
- (v) “Indemnifying Party” shall have the meaning set forth in Section 3.06.
- (w) “Indemnitees” shall have the meaning set forth in Section 1.03(a).
- (x) “Initiating Investor” shall have the meaning set forth in Section 3.01.
- (y) “Intelsat Group” shall have the meaning set forth in Section 1.03(a).
- (z) “Management Shareholders Agreement” shall have the meaning set forth in the recitals.

(aa) “McGlade Letter Agreement” shall mean the letter agreement, dated as of May 6, 2009, as amended, among the Company, David McGlade and Ronald P. McGlade, Trustee (On Behalf of the McGlade Family Trust dated January 2, 2009).

- (bb) “McGlade Shareholder” shall have the meaning set forth in the preamble.

(cc) “Permitted Transferee” shall mean the recipient of any Transfer of Shares (i) to any Person for estate planning purposes, only in the case of an individual, (ii) to an Affiliate, (iii) to any Person by operation of law, (iv) in the case of an individual, to such Person’s

immediate family or lineal descendants, (v) in the case of an individual, to a trust for the benefits of such Person or such Person referred to in the immediately preceding clause (iv), (vi) in the case of an individual, to a limited liability corporation or partnership which is beneficially owned by such Person and/or by such Person referred to in clause (iv), or (vii) in the case of an individual, upon such Person's death, to an executor, administrator, testamentary trustee, legatee and beneficiaries; provided, that in each instance that such transferee agrees to be bound by the provisions of this Agreement as if such transferee were an original signatory hereto; and provided further that that (A) any Permitted Transferee of the BC Investor shall be treated as the BC Investor for all purposes hereof, (B) any Permitted Transferee of the Silver Lake Investor shall be treated as the Silver Lake Investor for all purposes hereof and (C) any Permitted Transferee of the McGlade Shareholder shall be treated as the McGlade Shareholder for all purposes hereof.

(dd) "Person" shall mean an individual, partnership, joint-stock company, corporation, limited liability company, trust or unincorporated organization, and a government or agency or political subdivision thereof.

(ee) "Proposed Transferee" shall have the meaning set forth in Section 1.04(a).

(ff) "Public Offering" means an underwritten public offering of Common Stock pursuant to an effective registration statement (other than on Form S-4, Form F-4, Form S-8 or their respective equivalents) filed by the Company under the Securities Act.

(gg) "Register", "Registered" and "Registration" shall mean to a registration effected by preparing and filing a registration statement in compliance with the Securities Act (and any post-effective amendments filed or required to be filed) and the declaration or ordering of effectiveness of such registration statement; provided, however, that a Registration shall also include, but only for purposes of a request for Registration by the Silver Lake Investor pursuant to Section 4.01, a registration under the securities laws of any jurisdiction in which the Company has equity securities listed on a securities exchange or quotation system or otherwise has equity securities registered or qualified under the securities law of such jurisdiction.

(hh) "Registrable Securities" shall mean all Shares held by the Shareholders and all Shares issued or issuable upon conversion of any Shares held by such investors; provided that Registrable Securities shall mean, for all purposes under Section 3.01 (including the definitions set forth therein), all shares of Common Stock and all shares of Common Stock issued or issuable upon conversion of any Shares.

(ii) "Registration Expenses" shall mean all expenses incurred by the Company in compliance with Section 3.01 and 3.02 hereof, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel for the Company, fees and expenses of counsel for the Shareholders, blue sky fees and expenses and the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company, which shall be paid in any event by the Company).

(jj) "Required Period" shall mean with respect to a "shelf registration", two years following the first day of effectiveness of such Registration, and with respect to any other Registration, one hundred and eighty (180) days following the first day of effectiveness of such Registration.

(kk) "Sale Transaction" shall have the meaning set forth in Section 1.05(a).

(ll) "Securities Act" shall mean the Securities Act of 1933.

(mm) "Selling Investor" shall have the meaning set forth in Section 1.04(a).

(nn) "Shareholders" shall have the meaning set forth in the preamble.

(oo) "Shares" shall have the meaning set forth in recitals and shall include any shares of capital stock of the Company issued or issuable with respect to such shares by way of a stock dividend or distribution payable thereon or stock split, reverse stock split, recapitalization, reclassification, reorganization, exchange, subdivision or combination thereof.

(pp) “Silver Lake Investor” shall have the meaning set forth in the preamble.

(qq) “Specified Directors” shall have the meaning set forth in Section 1.03(b).

(rr) “Sponsors” shall have the meaning set forth in the preamble.

(ss) “Sponsors Shareholders Agreement” shall have the meaning set forth in the recitals.

(tt) “Subject Investors” shall have the meaning set forth in Section 1.05(a).

(uu) “Subsidiary” or “subsidiary” means, with respect to any specified Person, any entity of which the specified Person (either alone or through or together with any other subsidiary of such specified Person) (i) owns, directly or indirectly, more than 50% of the voting stock or other interests the holders of which are generally entitled to vote for the election of the board of directors or other applicable governing body of such entity (or, in the case of a partnership, limited liability company or other similar entity, control of the general partnership, managing member or similar interests), or (ii) controls the management.

(vv) “Tag-Along Investor” shall have the meaning set forth in Section 1.04(a).

(ww) “Tag-Along Right” shall have the meaning set forth in Section 1.04(d).

(xx) “Tag-Along Third Party Terms” shall have the meaning set forth in Section 1.04(a).

(yy) “Third Party Acquiror” shall have the meaning set forth in Section 1.05(a).

(zz) “Transfer” shall mean any sale, transfer, conveyance, assignment, pledge, encumbrance, hypothecation or other disposition, whether directly or indirectly; and “Transferred”, “Transferee”, “Transferability”, and “Transferor” shall each have a correlative meaning. For the avoidance of doubt, a sale, transfer, conveyance, assignment, pledge, encumbrance, hypothecation or other disposition of an interest in any Shareholder all or substantially all of whose assets are Shares shall constitute a “Transfer” for purposes of this Agreement, as if such interest was a direct interest in the Company.

(ll) “Violation” shall have the meaning set forth in Section 3.06(a).

Section 5.02 Interpretive Provisions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined herein are applicable to the singular as well as the plural forms of such terms;

(b) when a reference is made in this Agreement to an Article, Section, Exhibit or Schedule, such reference is to an Article or Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated;

(c) the word “or” is not exclusive and whenever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation”;

(d) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms;

(e) the words “hereof”, “herein” and “hereunder” and words of similar import, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement; and

(f) references herein to (i) an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (ii) any law means such law as amended, modified, codified, reenacted, supplemented or superseded in whole or in part and in effect from time to time, and also any rules and regulations promulgated thereunder.

Section 5.03 Directly or Indirectly. Where any provision in this Agreement refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

Section 5.04 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State.

Section 5.05 Section Headings. The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part thereof.

Article VI

MISCELLANEOUS

Section 6.01 Notices.

(a) All communications under this Agreement shall be in writing and shall be delivered by hand or facsimile or email or mailed by overnight courier or by registered or certified mail, postage prepaid:

To the BC Investor:

c/o BC Partners, Inc.
650 Madison Avenue
New York, NY 10065
Tel.: (212) 891-2880
Fax: (212) 891-2899
Attn: Justin Bateman
Email: justin.bateman@bcpartners.com

with a copy to:

Latham & Watkins LLP
885 Third Avenue
New York, NY 10022
Tel.: (212) 906-1200
Fax: (212) 751-4864
Attn: Raymond Lin; John Giouroukakis
Email: raymond.lin@lw.com; john.giouroukakis@lw.com

To the Company:

Intelsat S.A.
4, rue Albert Borschette
L-1246 Luxembourg

Tel.: +352 27-84-1600
Fax: +(352) 27-84-1690
Attn: General Counsel
Email: michelle.bryan@intelsat.com

with a copy to:

c/o BC Partners, Inc.
650 Madison Avenue
New York, NY 10065
Tel.: (212) 891-2880
Fax: (212) 891-2899
Attn: Justin Bateman
Email: justin.bateman@bcpartners.com

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
4 Times Square
New York, NY 10036
Tel.: (212) 735-3000
Fax: (212) 735-2000
Attn: Eric L. Cochran
Email: eric.cochran@skadden.com

To the Silver Lake Investor:

SLP III Investment S.a r.l

SLP III Investment Holding S.à r.l.
2, rue Edward Steichen
L-2540 Luxembourg

With a copy to:

c/o Silver Lake Partners III, L.P.
2775 Sand Hill Road, Suite 100
Menlo Park, California 94025
Tel.: (650) 233-8120
Fax: (650) 233-8125
Attn: Karen King
Email: karen.king@silverlake.com

To the McGlade Shareholder:

c/o David McGlade
4, rue Albert Borschette
L-1246 Luxembourg
Attn: David McGlade
Email: David.Mcglade@intelsat.com

or at such other address and to the attention of such other person as the Shareholder may designate by written notice to the Company and the other Shareholders.

(b) Any notice so addressed shall be deemed to be given: if delivered by hand, facsimile or email, on the date of such delivery; if mailed by overnight courier, on the first Business Day following the date of such mailing; and if mailed by registered or certified mail, on the third Business Day after the date of such mailing.

Section 6.02 Reproduction of Documents. This Agreement and all documents relating thereto, including (i) consents, waivers and modifications which may hereafter be executed, (ii) documents received by each Shareholder pursuant hereto and (iii) financial statements, certificates and other information previously or hereafter furnished to each Shareholder, may be reproduced by each Shareholder by a photographic, photostatic, microfilm, microcard, miniature photographic or other similar process and each Shareholder may destroy any original document so reproduced. All parties hereto agree and stipulate that any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by each Shareholder in the regular course of business) and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

Section 6.03 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties.

Section 6.04 Entire Agreement. The parties agree that, by executing and delivering this Agreement and the 2018 Governance Agreement, the Existing Governance Agreement and the Existing Shareholders Agreements (including, for avoidance of doubt, the McGlade Letter Agreement and all other individual side letters to the Management Shareholders Agreement) are hereby terminated as to these parties. This Agreement constitutes the entire understanding of the parties hereto relating to the subject matters hereof and supersede all prior understandings among such parties. This Agreement shall be interpreted independent of and without regard to any other agreement, unless otherwise specifically provided for in this Agreement.

Section 6.05 Amendment and Waiver. This Agreement may be amended, supplemented or modified, and the observance of any term of this Agreement may be waived, with (and only with) the consent of the Company and each of the Sponsors; provided, that if such amendment, modification, supplement or waiver materially and adversely affects any Shareholder in a manner disproportionate to the other Shareholders (or group of Shareholders), the consent of such Shareholder shall be required. For the avoidance of doubt, (i) the registration rights of the McGlade Shareholder set forth in Article III may not be terminated or amended in any manner that would materially and adversely affect such rights of the McGlade Shareholder without the prior written consent of the McGlade Shareholder, (ii) the registration rights of the Silver Lake Investor set forth in Article III may not be terminated or amended in any manner without the prior written consent of the Silver Lake Investor and (iii) the rights of the Silver Lake Investor with respect to Section 1.01, Section 1.02 and Section 1.03 may not be amended without the prior written consent of the Silver Lake Investor. Notwithstanding the foregoing, any amendments, supplements or modifications to add or remove parties to this Agreement as a result of Transfers permitted herein shall not require the consent of any Shareholder. No waiver of any breach shall be deemed to be a further or continuing waiver of such breach or a waiver of any other or subsequent breach. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof, or the exercise of any other right, power or remedy. All costs and expenses incurred in connection with any amendment or waiver of the terms of this Agreement shall be borne by the Shareholder incurring the same.

Section 6.06 [Reserved].

Section 6.07 Severability. In the event that any part or parts of this Agreement shall be held illegal or unenforceable by any court or administrative body of competent jurisdiction, such determination shall not affect the remaining provisions of this Agreement which shall remain in full force and effect. If legally permitted, the unenforceable provision will be replaced with an enforceable provision that as nearly as possible gives effect to the parties' intent.

Section 6.08 Counterparts. This Agreement may be executed in two or more counterparts (including by facsimile or pdf format), each of which shall be deemed an original and all of which together shall be considered one and the same agreement.

Section 6.09 Recapitalization, Exchange, Etc. Affecting the Company's Stock. Nothing in this Agreement shall prevent the Company (subject to Board approval) from effecting any recapitalization, corporate reorganization, "corporate inversion" involving the creation of one or more holding companies and/or holding company subsidiaries, or similar transaction. The provisions of this Agreement shall apply, to the full extent set forth herein, with respect to any and all shares of Common Stock, and all of the other shares of capital stock of the Company or any successor or assignee of the Company (whether by merger, consolidation, sale of assets, business combination or otherwise) that may be issued in respect of, in exchange for, or in substitution of such shares of capital stock and shall be appropriately adjusted for any stock dividends, splits, reverse splits, combinations, recapitalizations, and the like occurring after the date hereof.

Section 6.10 Submission to Jurisdiction; Waiver of Jury Trial. EACH PARTY HERETO HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW YORK AND OF ANY NEW YORK STATE COURT SITTING IN THE CITY OF NEW YORK FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS SHAREHOLDERS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 6.11 Specific Performance. The Company and the Shareholders hereby acknowledge and agree that it is impossible to measure in money the damages which will accrue to the parties hereto by reason of the failure of any party hereto to perform any of its obligations set forth in this Agreement and that, in the event of any such failure, an aggrieved party will be irreparably damaged and will not have an adequate remedy at law. Any such party shall, therefore, be entitled (in addition to any other remedy to which such party may be entitled at law or in equity) to injunctive relief, including specific performance, to enforce such obligations, without the posting of any bond and if any action should be brought in equity to enforce any of the provisions of this Agreement, none of the parties hereto shall raise the defense that there is an adequate remedy at law.

Section 6.12 No Third Party Liability. This Agreement may only be enforced against the named parties hereto. All claims or causes of action (whether in contract or tort) that may be

based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement (including any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement), may be made only against the entities that are expressly identified as parties hereto; and no past, present or future director, officer, employee, incorporator, member, partner, shareholder, Affiliate, agent, attorney or representative of any party hereto (including any Person negotiating or executing this Agreement on behalf of a party hereto), unless party to this Agreement, shall have any liability or obligation with respect to this Agreement or with respect any claim or cause of action (whether in contract or tort) that may arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement (including a representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement).

Section 6.13 Termination. Subject to the last sentence of this Section 6.13, this Agreement shall terminate automatically at such time as Section 1.04, Section 1.05 and the provisions of Article III have all terminated according to their terms. Termination of any provision of this Agreement shall not relieve any party from any liability for the breach of any obligations set forth in this Agreement prior to such termination. Notwithstanding anything contained herein to the contrary, the provisions of Section 3.06 and Article VI shall survive any termination of any provisions of this Agreement pursuant to Section 6.13.

[Remainder of the page left intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Shareholders Agreement as of the date first above written.

COMPANY:

INTELSAT S.A.

By: /s/Michelle V. Bryan
Name: Michelle V. Bryan
Title: Executive Vice President, General Counsel,
Chief Administrative Officer and Secretary

**SHAREHOLDERS –
BC INVESTOR:**

SERAFINA S.A.

By: /s/Pierre Stemper
Name: Pierre Stemper
Title: Director

By: /s/Christelle Rétif
Name: Christelle Rétif
Title: Director

**SHAREHOLDERS –
SILVER LAKE INVESTOR:**

SLP III INVESTMENT HOLDING S.À.R.L.

By: /s/Karen M. King
Name: Karen M. King
Title: Manager

SILVER LAKE GROUP, L.L.C.

By: /s/Karen M. King
Name: Karen M. King
Title: Managing Director and Chief Legal Officer

**SHAREHOLDERS –
MCGLADE SHAREHOLDER:**

DAVID MCGLADE

By: /s/David McGlade

MCGLADE INVESTMENTS II LLC

By: /s/David McGlade
Name: David McGlade
Title: Managing Member

**DAVID MCGLADE, as trustee for the ARTICLE 4 FAMILY TRUST U/T
DAVID MCGLADE 2009 GRAT**

By: /s/David McGlade

DAVID MCGLADE, as trustee for the David P. McGlade Declaration of Trust

By: /s/David McGlade

SCHEDULE A

BC Investor

Shareholder

Number of Common Shares

Serafina S.A.

64,984,207

SCHEDULE B

Silver Lake Investor

Shareholder

Number of Common Shares

SLP III Investment Holding S.à r.l.

13,892,905

Silver Lake Group, L.L.C.

277,780

SCHEDULE C

McGlade Shareholder

Shareholder

Number of Common Shares

David McGlade	928,371
McGlade Investments II LLC	555,717
Article 4 Family Trust U/T David McGlade 2009 GRAT	739,326
David P. McGlade Declaration of Trust	273,767

LIST OF SIGNIFICANT SUBSIDIARIES

1. Horizons-3 License LLC, a limited liability company organized under the laws of Delaware.
2. Intelsat Africa (Pty) Ltd., a company organized under the laws of South Africa.
3. Intelsat Align S.à r.l., a company organized under the laws of Luxembourg.
4. Intelsat Alliance LP, a limited partnership organized under the laws of Delaware.
5. Intelsat Asia Carrier Services LLC, a limited liability company organized under the laws of Delaware.
6. Intelsat Asia (Hong Kong) Limited, a company organized under the laws of Hong Kong.
7. Intelsat Asia Pty. Limited, a company organized under the laws of Australia.
8. Intelsat Brasil Ltda., a company organized under the laws of Brazil.
9. Intelsat Brasil Servicos de Telecomunicacao Ltda., a company organized under the laws of Brazil.
10. Intelsat Canada ULC, a company organized under the laws of British Columbia.
11. Intelsat Clearinghouse LLC, a limited liability company organized under the laws of Delaware.
12. Intelsat Connect Finance S.A., a company organized under the laws of Luxembourg.
13. Intelsat Cosmos OOO, a company organized under the laws of Russia.
14. Intelsat Envision Holdings LLC, a limited liability company organized under the laws of Delaware.
15. Intelsat Finance Bermuda Ltd., a company organized under the laws of Bermuda.
16. Intelsat France SAS, a company organized under the laws of France.
17. Intelsat General Communications LLC, a limited liability company organized under the laws of Delaware.
18. Intelsat Genesis Inc., a company organized under the laws of Delaware.
19. Intelsat Genesis GP LLC, a limited liability company organized under the laws of Delaware.
20. Intelsat Global Sales & Marketing Ltd., a company organized under the laws of England and Wales.
21. Intelsat Holdings LLC, a limited liability company organized under the laws of Delaware.
22. Intelsat Holdings S.A., a company organized under the laws of Luxembourg.
23. Intelsat Horizons-3 LLC, a limited liability company organized under the laws of Delaware.
24. Intelsat India Private Limited, a company organized under the laws of India.
25. Intelsat International Employment LLC, a limited liability company organized under the laws of Delaware.

26. Intelsat International Systems LLC, a limited liability company organized under the laws of Delaware.
27. Intelsat Investment Holdings S.à r.l., a company organized under the laws of Luxembourg.
28. Intelsat Investments S.A., a company organized under the laws of Luxembourg.
29. Intelsat Ireland Operations Unlimited Company, a company organized under the laws of Ireland.
30. Intelsat Jackson Holdings S.A., a company organized under the laws of Luxembourg.
31. Intelsat Kommunikations GmbH, a company organized under the laws of Germany.
32. Intelsat License Holdings LLC, a limited liability company organized under the laws of Delaware.
33. Intelsat License LLC, a limited liability company organized under the laws of Delaware.
34. Intelsat (Luxembourg) S.A., a company organized under the laws of Luxembourg.
35. Intelsat Satellite Communications Limited, a company organized under the laws of Kenya.
36. Intelsat Satellite LLC, a limited liability company organized under the laws of Delaware.
37. Intelsat Service and Equipment LLC, a limited liability company organized under the laws of Delaware.
38. Intelsat Subsidiary (Gibraltar) Limited, a company organized under the laws of Gibraltar.
39. Intelsat UK Financial Services Ltd., a company organized under the laws of England and Wales.
40. Intelsat US LLC, a limited liability company organized under the laws of Delaware.
41. Intelsat Ventures S.à r.l., a company organized under the laws of Luxembourg.
42. Mountainside Teleport LLC, a limited liability company organized under the laws of Delaware.
43. PanAmSat de Mexico S de RL de CV, a company organized under the laws of Mexico.
44. PanAmSat Europe Corporation, a corporation organized under the laws of Delaware.
45. PanAmSat India LLC, a limited liability company organized under the laws of Delaware.
46. PanAmSat India Marketing, L.L.C., a limited liability company organized under the laws of Delaware.
47. PanAmSat International Holdings, LLC, a limited liability company organized under the laws of Delaware.
48. PanAmSat International Sales LLC, a limited liability company organized under the laws of Delaware.
49. PanAmSat Satellite Europe Limited, a company organized under the laws of England and Wales.
50. PanAmSat Sistemas de Comunicacao DTH do Brasil Ltda., a company organized under the laws of Brazil.

51. Southern Satellite LLC, a limited liability company organized under the laws of Delaware.
52. Southern Satellite License LLC, a limited liability company organized under the laws of Delaware.
53. WP Com S de RL de CV, a company organized under the laws of Mexico.

CERTIFICATIONS

I, Stephen Spengler, Principal Executive Officer of Intelsat S.A. (the "Company") certify that:

1. I have reviewed the Company's Annual Report on Form 20-F for the year ended December 31, 2018 (the "Report");
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this Report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
 - (d) Disclosed in this Report any change in the Company's internal control over financial reporting that occurred during the period covered by this Report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: February 20, 2019

/s/ Stephen Spengler

Stephen Spengler
Principal Executive Officer

CERTIFICATIONS

I, Jacques Kerrest, Executive Vice President and Principal Financial Officer of Intelsat S.A. (the “Company”) certify that:

1. I have reviewed the Company’s Annual Report on Form 20-F for the year ended December 31, 2018 (the “Report”);
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this Report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by this Report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: February 20, 2019

/s/ Jacques Kerrest

Jacques Kerrest
Executive Vice President & Principal Financial Officer

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER
Pursuant To 18 U.S.C. Section 1350, As Adopted Pursuant
To Section 906 of the Sarbanes-Oxley Act Of 2002**

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Intelsat S.A. (the “Company”) hereby certifies that to such officer’s knowledge, the Company’s Annual Report on Form 20-F for the year ended December 31, 2018 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 20, 2019

/s/ Stephen Spengler

Stephen Spengler
Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

**CERTIFICATION BY CHIEF FINANCIAL OFFICER
Pursuant To 18 U.S.C. Section 1350, As Adopted Pursuant
To Section 906 of the Sarbanes-Oxley Act Of 2002**

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Intelsat S.A. (the “Company”) hereby certifies that to such officer’s knowledge, the Company’s Annual Report on Form 20-F for the year ended December 31, 2018 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 20, 2019

/s/ Jacques Kerrest

Jacques Kerrest
Executive Vice President & Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Intelsat S.A.:

We consent to the incorporation by reference in the registration statement (No. 333-212417) on Form S-8 and the registration statements (No. 333-228580 and No. 333-225467) on Form F-3ASR of Intelsat, S.A. of our report dated February 20, 2019, with respect to the consolidated balance sheets of Intelsat, S.A. as of December 31, 2017 and 2018, and the related consolidated statements of operations, comprehensive income (loss), changes in shareholders' deficit, and cash flows for each of the years in the three-year period ended December 31, 2018, and the related notes and financial statement Schedule II – Valuation and Qualifying Accounts (collectively, the consolidated financial statements), and the effectiveness of internal control over financial reporting as of December 31, 2018, which report appears in the December 31, 2018 annual report on Form 20-F of Intelsat, S.A.

Our report dated February 20, 2019, on the consolidated financial statements, refers to the Company's change in its method of accounting for revenue effective January 1, 2018 due to the adoption of Accounting Standards Codification No. 606, *Revenue from Contracts with Customers*.

/s/ KPMG LLP

McLean, Virginia
February 20, 2019