
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): May 4, 2005

Intelsat, Ltd.

(Exact Name of Registrant as Specified in Charter)

Bermuda
(State or Other Jurisdiction
of Incorporation)

000-50262
(Commission File Number)

98-0346003
(IRS Employer
Identification Number)

Wellesley House North, 2nd Floor, 90 Pitts Bay Road,
Pembroke, Bermuda
(Address of Principal Executive Offices)

HM 08
(Zip Code)

(441) 294-1650

Registrant's telephone number, including area code

n/a
(Former Address,
If Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

On May 4, 2005, the Board of Directors of Intelsat Holdings, Ltd. (“Intelsat Holdings”), the parent of Intelsat, Ltd. (“Intelsat”), adopted the Intelsat Holdings, Ltd. 2005 Share Incentive Plan (the “Share Incentive Plan”), pursuant to which awards may be granted to employees of Intelsat Holdings and its subsidiaries, and pursuant to which certain executive officers of Intelsat have been awarded grants of restricted shares of Intelsat Holdings. Copies of the Share Incentive Plan and form of restricted share agreement thereunder are filed as exhibits to this Current Report on Form 8-K. In addition, the Board of Directors of Intelsat Holdings adopted the Intelsat Holdings, Ltd. Bonus Plan (the “Bonus Plan”), pursuant to which employees of Intelsat Holdings and its subsidiaries, including certain executive officers of Intelsat, may be awarded cash bonuses, and determined the specific performance goals and business criteria for certain executive officers. These goals and criteria include certain revenues, covenant EBITDA (as defined), cash flow management (as defined) and backlog targets. A copy of the Bonus Plan is filed as an exhibit to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

- 10.1 Intelsat Holdings, Ltd. 2005 Share Incentive Plan.
- 10.2 Form of Restricted Share Agreement under Intelsat Holdings, Ltd. 2005 Share Incentive Plan.
- 10.3 Intelsat Holdings, Ltd. Bonus Plan.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 10, 2005

INTELSAT, LTD.

By: /s/ William Atkins

Name: William Atkins

Title: Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
10.1	Intelsat Holdings, Ltd. 2005 Share Incentive Plan.
10.2	Form of Restricted Share Agreement under Intelsat Holdings, Ltd. 2005 Share Incentive Plan.
10.3	Intelsat Holdings, Ltd. Bonus Plan.

INTELSAT HOLDINGS, LTD.

2005 SHARE INCENTIVE PLAN

Effective January 28, 2005

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INTELSAT, LTD.
2005 SHARE INCENTIVE PLAN

1. Establishment, Purpose and Types of Awards

Intelsat Holdings, Ltd. (the “Company”) hereby establishes the Intelsat Holdings, Ltd. 2005 Share Incentive Plan (the “Plan”). The purpose of the Plan is to promote the long-term growth and profitability of Intelsat Holdings, Ltd. by (i) providing incentives to improve shareholder value and to contribute to the growth and financial success of the Company, and (ii) enabling the Company and its Subsidiaries to attract, retain and reward the best available persons for positions of substantial responsibility.

The Plan permits the granting of Awards in the form of Incentive Share Options, Nonqualified Share Options, Restricted Shares, Restricted Share Units, Share Appreciation Rights, Phantom Shares and Performance Awards in each case as such term is defined below, and any combination of the foregoing.

2. Definitions

Under this Plan, except where the context otherwise indicates, the following definitions apply:

(a) “*Affiliate*” and “*Associate*” shall have the meanings contemplated by Rule 12b-2 of the Exchange Act (or any successor rule).

(b) “*Applicable Exchange*” means the New York Stock Exchange, Nasdaq or such other securities exchange as may at the applicable time be the principal market for the Shares.

(c) “*Awards*” shall mean Incentive Share Options, Nonqualified Share Options, Restricted Shares, Restricted Share Units, Share Appreciation Rights, Phantom Shares and Performance Awards and any combination of the foregoing.

(d) “*Board*” shall mean the Board of Directors of the Company.

(e) “*Cause*” means, unless otherwise provided in a Grant Agreement, (i) “*Cause*” as defined in any Individual Agreement to which the applicable Participant is a party, or (ii) if there is no such Individual Agreement or if it does not define Cause: (A) conviction of the Participant for committing a felony under federal law or the law of the state in which such action occurred, (B) dishonesty in the course of fulfilling the Participant’s employment duties, (C) willful and deliberate failure on the part of the Participant to perform such Participant’s employment duties in any material respect, or (D) before a Change in Control, such other events as shall be determined by the Committee.

(f) “*Change in Control*” shall mean (i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), other than any such person or group (or any person or group that is an Affiliate or Associate of such person or group) that immediately prior to such acquisition was an Affiliate of the Company, any of the

Investors or the Investor Group, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50%, indirectly or directly, of the voting securities of the Company (other than any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its Subsidiaries) or (ii) consummation of an amalgamation, a merger or consolidation of the Company or any direct or indirect subsidiary thereof with any other entity or a sale or other disposition of all or substantially all of the assets of the Company following which the voting securities of the Company that are outstanding immediately prior to such transaction cease to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity (or the entity that owns substantially all of the Company's assets either directly or through one or more subsidiaries) or any parent or other affiliate thereof) at least 50% of the combined voting power of the securities of the Company or, if the Company is not the surviving entity, such surviving entity (or the entity that owns substantially all of the Company's assets either directly or through one or more subsidiaries) or any parent or other affiliate thereof, outstanding immediately after such transaction.

(g) "*Closing*" shall have the meaning set forth in the Transaction Agreement.

(h) "*Code*" shall mean the Internal Revenue Code of 1986, as amended, and any regulations issued thereunder.

(i) "*Committee*" shall mean the Board or a committee of the Board appointed pursuant to Section 3 of the Plan to administer the Plan.

(j) "*Cumulative Total Return*" means the sum (net of all transaction and valuation costs) of (i) all dividends and other distributions paid to the Investors with respect to Shares and Preferred Shares, (ii) the gross proceeds of any sale of Shares and Preferred Shares by any of the Investors, (iii) all management fees paid to the Investors with respect to Shares and Preferred Shares, and (iv) solely for purposes of determining Cumulative Total Return as of the eighth anniversary of the Closing, the fair market value of the Shares and Preferred Shares held by the Investors on the eighth anniversary of the Closing, which will be determined by the Committee in its sole reasonable discretion.

(k) "*Disability*" means (i) "Disability" as defined in any Individual Agreement to which the Participant is a party, (ii) if there is no such Individual Agreement or it does not define "Disability," (A) permanent and total disability as determined under the Company's long-term disability plan applicable to the Participant, or (B) if there is no such plan applicable to the Participant, "Disability" as determined by the Committee.

(l) "*Disaffiliation*" means a Subsidiary of the Company ceasing to be a Subsidiary for any reason (including, without limitation, as a result of a public offering, or a spinoff or sale by the Company, of the stock of the Subsidiary) or a sale of a division of the Company.

(m) "*Exchange Act*" shall mean the U.S. Securities Exchange Act of 1934, as amended from time to time.

(n) "*Fair Market Value*" of the Shares for any purpose on a particular date shall mean:

(i) if there is an IPO on such date, the price at which the Shares are offered in the IPO;

(ii) if the Shares are traded on an Applicable Exchange on any such date following the date of an IPO, the closing quoted selling price for Shares as of 4:00 p.m. on the relevant date, or (if there were no sales on such date) the closing quoted selling price as of 4:00 p.m. on the nearest trading day before the relevant date, as reported in *The Wall Street Journal* or a similar publication selected by the Committee; or

(iii) if there has not been an IPO or if the Shares are not traded on an Applicable Exchange on such date, the fair market value as determined in good faith by the Committee. At the election of the Committee, prior to an IPO, the Committee may presume that the Fair Market Value of the Shares as of a specific date is equal to the Fair Market Value of the Shares as of the date of the most recent valuation thereof, as adjusted for dividends, distributions and other extraordinary events not otherwise reflected in such Fair Market Value.

(o) “*Grant Agreement*” shall mean a written or electronic agreement (which may include an Individual Agreement) between the Company and a grantee memorializing the terms and conditions of an Award granted pursuant to the Plan.

(p) “*Grant Date*” shall mean the date on which the Committee acts to grant an Award to a grantee or such other date as the Committee shall so designate at the time of taking such action.

(q) “*Incentive Share Options*” shall mean Share Options that meet the requirements of Code Section 422.

(r) “*Individual Agreement*” means an employment, consulting or similar agreement between a Participant and the Company and/or one of its Subsidiaries, entered into on or after January 28, 2005.

(s) “*Investor Group*” shall have the meaning set forth in the Shareholders Agreement.

(t) “*Investors*” shall mean each member of the Investor Group.

(u) “*IPO*” shall mean the first underwritten public offering of the Shares pursuant to an effective registration statement under the Securities Act (other than a registration relating solely to a transaction under Rule 145 of the Securities Act (or any successor thereto) or to an employee benefit plan of the Company), after which such Shares representing at least 15% of the outstanding common equity securities of the Company are publicly held and listed for trading on an Applicable Exchange.

(v) “*Nonqualified Share Options*” shall mean Share Options that do not meet the requirements of Code Section 422.

(w) “*Participant*” shall mean a prospective or actual director, officer or full-time or part-time employee of the Company or any Subsidiary of the Company, who is granted an Award under the Plan.

(x) “*Performance Award*” shall mean an Award under Section 9 hereof.

(y) “*Performance Measure*” shall mean the following performance measures selected by the Committee to measure performance of the Company or any Subsidiary or other business division of same for a Performance Period, whether in absolute or relative terms: basic or diluted earnings per share; earnings per share growth; revenue; operating income; net income (either before or after taxes); earnings and/or net income before interest and taxes; earnings and/or net income before interest, taxes, depreciation and amortization; Consolidated EBITDA (as such term or similar term is used in the debt instruments of the Company or its Subsidiaries); return on capital; return on equity; return on assets; net cash provided by operations; free cash flow; backlog; share price; economic profit; economic value; total shareholder return; gross margins, costs and/or Cumulative Total Return, and such other performance measures as may be selected by the Committee.

(z) “*Performance Period*” means a period over which the achievement of targets for Performance Measures is determined.

(aa) “*Preferred Shares*” shall have the meaning set forth in the Shareholder’s Agreement.

(bb) “*Phantom Shares*” shall mean Awards under Section 8(e).

(cc) “*Restricted Shares*” and “*Restricted Share Units*” shall mean Awards under Section 7.

(dd) “*Rule 16b-3*” shall mean Rule 16b-3 as in effect under the Exchange Act on the effective date of the Plan, or any successor provision prescribing conditions necessary to exempt the issuance of securities under the Plan (and further transactions in such securities) from Section 16(b) of the Exchange Act, or any successor provision.

(ee) “*Securities Act*” shall mean the U.S. Securities Act of 1933, as amended.

(ff) “*Share Option*” shall mean a Nonqualified Share Option or an Incentive Share Option.

(gg) “*Shares*” shall mean ordinary shares of the Company, par value \$.001 U.S. per share.

(hh) “*Shareholders Agreement*” shall mean the Shareholders Agreement by and among the Company and the shareholders named therein dated as of January 27, 2005, as amended from time to time.

(ii) “*Share Appreciation Rights*” shall mean Awards under Section 8(a) to (d).

(jj) “*Subsidiary*” and “*Subsidiaries*” shall mean any corporation, partnership, joint venture or other entity during any period in which at least a 50% voting, equity or profits interest is owned, directly or indirectly, by the Company or any successor to the Company.

(kk) “*Termination of Employment*” means the termination of the applicable Participant’s employment with, or performance of services for, the Company and any of its Subsidiaries. Unless otherwise determined by the Committee, if a Participant’s employment with the Company and its Subsidiaries terminates but such Participant continues to provide services to the Company and its Subsidiaries in a non-employee capacity, such change in status shall not be deemed a Termination of Employment. Unless otherwise determined by the Committee, a Participant employed by, or performing services for, a Subsidiary or a division of the Company and its Subsidiaries shall be deemed to incur a Termination of Employment if, as a result of a Disaffiliation, such Subsidiary, or division ceases to be a Subsidiary or division, as the case may be, and the Participant does not immediately thereafter become an employee of, or service provider for, the Company or another Subsidiary. Temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and its Subsidiaries shall not be considered Terminations of Employment.

(ll) “*Total and Permanent Disability*” shall mean disabled for purposes of any long-term disability plan under which the Participant is eligible, and, if none, for purposes of Code Section 22(e)(3).

(mm) “*Transaction Agreement*” shall mean the agreement pursuant to which the transactions contemplated by the Transaction Agreement and Plan of Amalgamation among Intelsat, Ltd., Intelsat (Bermuda), Ltd., the Company, Zeus Merger One Limited and Zeus Merger Two Limited dated as of August 16, 2004 were effected.

3. Administration

(a) *Procedure.* The Plan shall be administered by the Board. In the alternative, the Board may delegate authority to the Compensation Committee of the Board to administer the Plan on behalf of the Board or such other Committee as the Compensation Committee may designate, subject to such terms and conditions as the Board may prescribe. Following such time as any Shares are registered under Section 12(b) or 12(g) of the Exchange Act, and subject to any applicable transition rules, such Committee shall consist of not less than two (2) members of the Board (or such greater number as may be required by applicable law or the rules of an Applicable Exchange), each of whom shall be a “non employee director” within the meaning of Rule 16b-3 or any successor rule or similar import, and an “outside director” within the meaning of Code Section 162(m) and the regulations promulgated thereunder and, to the extent required by an Applicable Exchange, an “outside director” within the meaning of such Applicable Exchange. The Board may delegate to such Committee any or all of its duties and powers under the Plan. The Committee shall continue to administer the Plan on behalf of the Board until otherwise directed by the Board.

(b) *Secondary Committees and Sub-Plans.* The Board may, in its sole discretion, bifurcate the duties and powers of the Committee by establishing one or more secondary Committees to which certain duties and powers of the Board hereunder are delegated (each of

which shall be regarded as a “Committee” under the Plan with respect to such duties and powers), or delegate all of its duties and powers hereunder to a single Committee. Additionally, if permitted by applicable law, the Board or Committee may delegate any or all of its duties and powers hereunder to the Chief Executive Officer and/or to other senior officers of the Company subject to such conditions and limitations as the Board or Committee shall prescribe. However, only the Committee described under Section 3(a) may designate and grant Awards to Participants who are subject to Section 16 of the Exchange Act. The Committee shall also have the power to establish sub-plans (which may be included as appendices to the Plan or the respective Grant Agreements), which may constitute separate schemes, for the purpose of establishing schemes which meet any special tax or regulatory requirements of countries other than the United States. Any such interpretations, rules, administration and sub-plans shall be consistent with the basic purposes of the Plan.

(c) *Powers of the Committee.* The Committee shall have all the powers vested in it by the terms of the Plan, such powers to include authority, in its sole and absolute discretion, to grant Awards under the Plan, prescribe Grant Agreements evidencing such Awards and establish programs for granting Awards. The Committee shall have full power and authority to take all other actions necessary to carry out the purpose and intent of the Plan, including, but not limited to, the authority to:

- (i) determine the Participants to whom, and the time or times at which Awards shall be granted;
- (ii) determine the types of Awards to be granted;
- (iii) determine the number of Shares and/or amount of cash to be covered by or used for reference purposes for each Award;
- (iv) to determine the terms and conditions of each Award granted hereunder, based on such factors as the Committee shall determine, including without limitation establishing in its discretion performance criteria that must be satisfied before an Award vests and/or becomes payable, the term during which an Award is exercisable, and the period, if any, following a grantee’s Termination of Employment with the Company or any of its Subsidiaries during which the Award shall remain exercisable;
- (v) subject to Section 13, to modify, amend or adjust the terms and conditions of any Award, at any time or from time to time;
- (vi) to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall from time to time deem advisable;
- (vii) to interpret the terms and provisions of the Plan and any Award issued under the Plan (and any agreement relating thereto);
- (viii) to establish any “blackout” period that the Committee in its sole discretion deems necessary or advisable;
- (ix) to otherwise administer the Plan;

(x) accelerate the time in which an Award may be exercised or in which an Award becomes payable and waive or accelerate the lapse, in whole or in part, of any restriction or condition with respect to an Award;

(xi) establish objectives and conditions, including targets for Performance Measures, if any, for earning Awards and determining whether Awards will be paid after the end of a Performance Period; and

(xii) subject to the provisions of Section 409A of the Code, permit the deferral of, or require a Participant to defer such Participant's receipt of, the delivery of Shares and/or cash under an Award that would otherwise be due to such Participant and establish rules and procedures for such payment deferrals.

The Committee shall have full power and authority to administer and interpret the Plan and to adopt such rules, regulations, agreements, guidelines and instruments for the administration of the Plan as the Committee deems necessary, desirable or appropriate in accordance with the Bye-Laws of the Company.

(d) *Limited Liability.* To the maximum extent permitted by law, no member of the Board or Committee or its delegate shall be liable for any action taken or decision made in good faith relating to the Plan or any Award thereunder.

(e) *Indemnification.* The members of the Board and Committee and any delegate shall be indemnified by the Company in respect of all their activities under the Plan in accordance with the procedures and terms and conditions set forth in the Bye-Laws of the Company. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Memorandum of Association, as a matter of law, or otherwise.

(f) *Effect of Committee's Decision.* All actions taken and decisions and determinations made by the Committee or a delegate on all matters relating to the Plan pursuant to the powers vested in it hereunder shall be in the Committee's or its delegate's sole and absolute discretion and shall be conclusive and binding on all parties concerned, including the Company, its shareholders, any Participants in the Plan and any other employee of the Company, and their respective successors in interest.

(g) *Grant Agreements.* The terms and conditions of each Award, as determined by the Committee, shall be set forth in a written Grant Agreement, which shall be delivered to the Participant receiving such Award upon, or as promptly as is reasonably practicable following, the grant of such Award. The effectiveness of an Award shall be subject to the Grant Agreement's being signed by the Company and/or the Participant receiving the Award unless specifically so provided by the Committee. Grant Agreements may be amended only in accordance with Section 13 hereof.

4. Shares Available Under the Plan

Subject to adjustments as provided in Section 12 of the Plan, the Shares that may be delivered or purchased or used for reference purposes (with respect to Share Appreciation

Rights, or Phantom Shares) with respect to Awards granted under the Plan, including with respect to Incentive Share Options, shall not exceed an aggregate of 1,124,296 Shares. Shares available under the Plan may be, in any combination, authorized but unissued Shares and Shares that are repurchased, in the market, and canceled by the Company. If any Award, or portion of an Award, issued under the Plan, expires or terminates unexercised, becomes unexercisable or is forfeited or otherwise terminated, surrendered or canceled as to any Shares without the delivery by the Company (or, in the case of Restricted Shares, without vesting) of Shares or if any Award is settled in cash and not in Shares, the Shares subject to such Award shall thereafter be available for further Awards under the Plan. If the exercise price of any Share Option and/or the tax withholding obligations relating to any Award are satisfied by delivering Shares to the Company (by either actual delivery or by attestation), only the number of Shares issued net of the Shares delivered or attested to shall be deemed delivered for purposes of the limits set forth in Section 4. To the extent any Shares subject to an Award are withheld to satisfy the exercise price (in the case of a Share Option) and/or the tax withholding obligations relating to such Award, such Shares shall not be deemed to have been delivered for purposes of the limits set forth in Section 4.

5. Participation

Participation in the Plan shall be open to all prospective and actual officers and other regular full-time and part-time employees and all prospective and actual directors of the Company, or of any Subsidiary of the Company, as may be selected by the Committee from time to time. Notwithstanding the foregoing, participation in the Plan with respect to Awards of Incentive Share Options shall be limited to employees of the Company or of any Subsidiary of the Company.

Awards may be granted to such Participants and for or with respect to such number of Shares as the Committee shall determine, subject to the limitations in Section 4. A grant of any type of Award made in any one year to a Participant shall neither guarantee nor preclude a further grant of that or any other type of Award to such person in that year or subsequent years.

6. Share Options

Subject to the other applicable provisions of the Plan, the Committee may from time to time grant to Participants Awards of Nonqualified Share Options and/or Incentive Share Options. The Share Option granted shall be subject to the following terms and conditions.

(a) *Grant of Option.* The grant of a Share Option shall be evidenced by a Grant Agreement, executed by the Company and the grantee, stating the number of Shares subject to the Share Option evidenced thereby, the exercise price and the terms and conditions of such Share Option, in such form as the Committee may from time to time determine.

(b) *Exercise Price.* The price per Share payable upon the exercise of each Share Option shall not be less than one hundred percent (100%) of the Fair Market Value of the Shares on the Grant Date.

(c) *Payment.* Share Options may be exercised in whole or in part by payment of the exercise price of the Shares to be acquired in accordance with the provisions of the Grant

Agreement, and/or such rules and regulations as the Committee may have prescribed, and/or such determinations, orders, or decisions as the Committee may have made. Payment may be made in cash (or cash equivalents acceptable to the Committee) or to the extent permitted by the Committee and permitted by applicable law, in Shares, or by such other means as the Committee may prescribe. The Fair Market Value of Shares delivered on exercise of Share Options shall be determined as of the date of exercise.

If the Shares are registered under Section 12(b) or 12(g) of the Exchange Act, the Committee, subject to applicable law and such limitations as it may determine, may authorize payment of the exercise price, in whole or in part, by delivery of a properly executed exercise notice, together with irrevocable instructions, to: (i) a brokerage firm to deliver promptly to the Company the aggregate amount of sale or loan proceeds to pay the exercise price and any withholding tax obligations that may arise in connection with the exercise, and (ii) the Company to deliver the certificates for such purchased Shares directly to such brokerage firm.

(d) *Terms of Options.* The term during which each Share Option may be exercised shall be determined by the Committee; provided, however, that in no event shall a Share Option be exercisable more than ten years from the date it is granted unless otherwise determined by the Committee. Prior to the exercise of the Share Option and delivery of the share certificates represented thereby, the grantee shall have none of the rights of a shareholder with respect to any Shares represented by an outstanding Share Option.

(e) *Restrictions on Incentive Share Options.* Incentive Share Option Awards granted under the Plan shall comply in all respects with Code Section 422 and, as such, shall meet the following additional requirements:

(i) *Grant Date.* An Incentive Share Option must be granted within ten (10) years of the earlier of the Plan's adoption by the Board of Directors or approval by the Company's shareholders.

(ii) *Exercise Price and Term.* The exercise price of an Incentive Share Option shall not be less than one hundred percent (100%) of the Fair Market Value of the Shares on the date the Share Option is granted and the term of the Share Option shall not exceed ten years. Also, the exercise price of any Incentive Share Option granted to a grantee who owns (within the meaning of Code Section 422(b)(6), after the application of the attribution rules in Code Section 424(d)) more than ten percent (10%) of the total combined voting power of all classes of shares of the Company or any Subsidiary of the Company shall be not less than one hundred ten percent (110%) of the Fair Market Value of the Shares on the grant date and the term of such Share Option shall not exceed five years.

(iii) *Maximum Grant.* The aggregate Fair Market Value (determined as of the Grant Date) of Shares of the Company with respect to which all Incentive Share Options first become exercisable by any grantee in any calendar year under this or any other plan of the Company and its Subsidiaries may not exceed One Hundred Thousand Dollars (U.S. \$100,000) or such other amount as may be permitted from time to time under Code Section 422. To the extent that such aggregate Fair Market Value shall exceed One

Hundred Thousand Dollars (U.S. \$100,000), or other applicable amount, such Share Options to the extent of the Shares in excess of such limit shall be treated as Nonqualified Share Options. In such case, the Company may designate the Shares that are to be treated as Shares acquired pursuant to the exercise of an Incentive Share Option.

(iv) *Grantee*. Incentive Share Options shall only be issued to employees of the Company or of a Subsidiary of the Company.

(v) *Designation*. No Share Option shall be an Incentive Share Option unless so designated by the Committee at the time of grant or in the Grant Agreement evidencing such Share Option.

(vi) *Shareholder Approval*. No Share Option issued under the Plan shall be an Incentive Share Option unless the Plan is approved by the shareholders of the Company within twelve (12) months of its adoption by the Board in accordance with the Bye-Laws of the Company and governing law relating to such matters.

(f) *Other Terms and Conditions*. Share Options may contain such other provisions, not inconsistent with the provisions of the Plan, as the Committee shall determine appropriate from time to time.

7. Restricted Shares and Restricted Share Units

(a) *In General*. Subject to the other applicable provisions of the Plan and applicable law, the Committee may at any time and from time to time grant Restricted Shares or Restricted Share Units to Participants, in such amounts and subject to such vesting conditions, other restrictions and conditions for removal of restrictions as it determines. Unless determined otherwise by the Committee, Participants receiving Restricted Shares or Restricted Share Units are not required to pay the Company cash consideration therefore (except as may be required for applicable tax withholding).

(b) *Vesting Conditions and Other Restrictions*. Each Award for Restricted Shares and Restricted Share Units shall be evidenced by a Grant Agreement or other documentation that specifies the applicable vesting conditions and other restrictions, if any, on such Award, the duration of such restrictions, and the time or times at which such restrictions shall lapse with respect to all or a specified number of the Shares that are part of the Award. Notwithstanding the foregoing, the Committee may reduce or shorten the duration of any vesting or other restriction applicable to any Restricted Shares or Restricted Share Units awarded to any grantee under the Plan.

(c) *Share Issuance and Shareholder Rights*.

(i) *Restricted Shares*. Share certificates with respect to Shares granted pursuant to a Restricted Share Award may be issued, and/or Shares may be registered, at the time of grant of the Restricted Share Award, subject to forfeiture if the Restricted Shares do not vest or other restrictions do not lapse. Any Share certificates shall bear an appropriate legend with respect to the restrictions applicable to such Restricted Share Award and the grantee may be required to deposit the certificates with the Company

during the period of any restriction thereon and to execute a blank share power or other instrument of transfer therefore. No portion of Restricted Shares may be sold, transferred, assigned, pledged or otherwise encumbered or disposed of by the Participant until such portion of Restricted Shares becomes vested, and any purported sale, transfer, assignment, pledge, encumbrance or disposition shall be void and unenforceable against the Company. If Share certificates have been issued with a legend as provided above, then as soon as administratively practicable after the lapsing of the restrictions with respect to any Restricted Shares, the Company shall deliver to the Participant or his or her personal representative, in book-entry or certificate form, the formerly Restricted Shares that do not bear any restrictive legend making reference to a Grant Agreement. Such Shares shall be free of restrictions, except for any restrictions required under Federal securities laws, other applicable law and any applicable Shareholders Agreement. Except as otherwise provided by the Committee or in an applicable Grant Agreement, during the period of restriction following issuance of Restricted Share certificates, the grantee shall have all of the rights of a holder of Shares, including but not limited to the right to receive dividends (or amounts equivalent to dividends) and to vote with respect to the Restricted Shares. The Committee, in its discretion, may provide that any dividends or distributions paid with respect to Shares subject to the unvested portion of a Restricted Share Award will be subject to the same restrictions as the Restricted Shares to which such dividends or distributions relate, and that cash dividends may be held in custody or otherwise by the Company.

(ii) *Restricted Share Units*. Share certificates for the Shares subject to a Restricted Share Unit shall be issued, and/or Shares shall be registered, upon vesting and lapse of any other restrictions with respect to the issuance of Shares under such Award. The grantee will not be entitled to vote such Shares or to any of the other rights of shareholders during the period prior to issuance of the certificates for such Shares and/or the registration of the Shares. An Award of Restricted Share Units may provide the Participant with the right to receive amounts equivalent to dividends and distributions paid with respect to Shares subject to the Award while the Award is outstanding, which payments may, in the Committee's discretion, either be made currently or credited to an account for the Participant, and may be settled in cash or Shares, all as determined by the Committee. Unless otherwise determined by the Committee or in an applicable Grant Agreement with respect to a particular Award, each outstanding Restricted Share Unit shall accrue such dividend equivalents, which amounts will be paid only when and if the Restricted Share Unit (on which such dividend equivalents were accrued) vests and becomes payable. To the extent that a Restricted Share Unit does not vest or is otherwise forfeited, any accrued and unpaid dividend equivalents shall be forfeited.

8. Share Appreciation Rights and Phantom Shares

(a) *Award of Share Appreciation Rights*. Subject to the other applicable provisions of the Plan, the Committee may at any time and from time to time grant Share Appreciation Rights to Participants, either on a free-standing basis (without regard to or in addition to the grant of a Share Option) or on a tandem basis (related to the grant of an underlying Share Option), as it determines. Share Appreciation Rights granted in tandem with or in addition to a Share Option may be granted either at the same time as the Share Option or at a later time; provided, however,

that a tandem Share Appreciation Right shall not be granted with respect to any outstanding Incentive Share Option Award without the consent of the grantee. Share Appreciation Rights shall be evidenced by Grant Agreements, executed by the Company and the grantee, stating the number of Shares subject to the Share Appreciation Right evidenced thereby and the terms and conditions of such Share Appreciation Right, in such form as the Committee may from time to time determine. The term during which each Share Appreciation Right may be exercised shall be determined by the Committee. Unless otherwise determined by the Committee, in no event shall a Share Appreciation Right be exercisable more than ten years from the date it is granted. The grantee shall have none of the rights of a shareholder with respect to any Shares represented by a Share Appreciation Right.

(b) *Restrictions of Tandem Share Appreciation Rights.* Share Appreciation Rights granted in tandem with Share Options shall be exercisable only to the same extent and subject to the same conditions as the Share Options related thereto are exercisable. The Committee may, in its discretion, prescribe additional conditions to the exercise of any such tandem Share Appreciation Right.

(c) *Amount of Payment upon Exercise of Share Appreciation Rights.* Unless otherwise determined by the Committee in a Grant Agreement at the time of grant, each Share Appreciation Right shall entitle the grantee to receive, subject to the provisions of the Plan and the Grant Agreement, a payment having an aggregate value equal to the product of (i) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the base price per Share specified in the Grant Agreement (which shall be no less than the Fair Market Value of a Share on the Grant Date), times (ii) the number of Shares specified by the Share Appreciation Right, or portion thereof, that is exercised. In the case of exercise of a tandem Share Appreciation Right, such payment shall be made in exchange for the surrender of the unexercised related Share Option (or applicable portion or portions thereof).

(d) *Form of Payment upon Exercise of Share Appreciation Rights.* Payment by the Company of the amount receivable upon or following any exercise of a Share Appreciation Right may be made by the delivery of Shares or cash, or any combination of Shares and cash, as determined in the sole discretion of the Committee from time to time. If upon settlement of the exercise of a Share Appreciation Right a grantee is to receive a portion of such payment in Shares, the number of Shares shall be determined by dividing such portion by the Fair Market Value of a Share on the exercise date. No fractional Shares shall be used for such payment and the Committee shall determine whether cash shall be given in lieu of such fractional Shares or whether such fractional Shares shall be eliminated.

(e) *Phantom Shares.* The grant of Phantom Shares shall be evidenced by a Grant Agreement, executed by the Company and the grantee, that incorporates the terms of the Plan and states the number of Phantom Shares evidenced thereby and the terms and conditions of such Phantom Shares in such form as the Committee may from time to time determine. Phantom Shares granted to a Participant shall be credited to a bookkeeping reserve account solely for accounting purposes and shall not require a segregation of any of the Company's assets. Each Phantom Share shall represent the value of one Share. Phantom Shares shall become payable in whole or in part in such form, at such time or times and pursuant to such conditions in accordance with the provisions of the Grant Agreement, and/or such rules and regulations as the

Committee may prescribe, and/or such determinations, orders or decisions as the Committee may make. Except as otherwise provided in the applicable Grant Agreement, the grantee shall have none of the rights of a shareholder with respect to any Shares represented by a Phantom Share as a result of the grant of a Phantom Share to the grantee. Phantom Shares may contain such other provisions, not inconsistent with the provisions of the Plan, as the Committee shall determine desirable or appropriate from time to time.

9. Performance Awards

The Committee, in its discretion, may establish targets for Performance Measures for selected Participants and authorize the granting, vesting, payment and/or delivery of Performance Awards in the form of Incentive Share Options, Nonqualified Share Options, Restricted Shares, Restricted Share Units, Share Appreciation Rights, Phantom Shares and/or cash to such Participants upon achievement of such targets for Performance Measures during a Performance Period. The Committee, in its discretion, shall determine the Participants eligible for Performance Awards, the targets for Performance Measures to be achieved during each Performance Period, and the type, amount, and terms and conditions of any Performance Awards. Performance Awards may be granted either alone or in addition to other Awards made under the Plan.

10. Withholding and Reporting of Taxes

The Company may require, as a condition to the grant of any Award under the Plan, vesting or exercise pursuant to such Award or to the delivery of certificates for or registration of Shares issued or payments of cash to a grantee pursuant to the Plan or a Grant Agreement, that the grantee pay to the Company (or the applicable Subsidiary), in cash or, if approved by the Company (or the applicable Subsidiary), in Shares, including Shares acquired upon grant of the Award or exercise of the Award, valued at Fair Market Value on the date as of which the withholding tax liability is determined, any federal, state or local taxes of any kind or any applicable taxes or other required withholding of any other jurisdiction required by law to be withheld with respect to any taxable event under the Plan. The Company (or the applicable Subsidiary), to the extent permitted or required by law, shall have the right to deduct from any payment of any kind (including salary or bonus) otherwise due to a grantee any federal, state or local taxes of any kind or any applicable taxes or other required withholding of any other jurisdiction required by law to be withheld with respect to the grant, vesting, exercise or payment of or under any Award under the Plan or a Grant Agreement, or to retain or sell a sufficient number of the Shares to be issued to such grantee to cover any such taxes. The Company or any of its Subsidiaries shall comply with any applicable tax reporting requirements of any jurisdiction imposed on it by law with respect to the granting, vesting, exercise and/or payment of Awards.

11. Transferability

No Award granted under the Plan shall be transferable by a grantee otherwise than by will or the laws of descent and distribution. Unless otherwise determined by the Committee in accordance with the provisions of the immediately preceding sentence, an Award may be exercised during the lifetime of the grantee, only by the grantee or, during the period the grantee

is under a legal disability, by the grantee's guardian or legal representative. Notwithstanding the foregoing, an Award other than an Incentive Share Option may, in the Committee's sole discretion, be transferable by gift or domestic relations order to (i) the grantee's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, daughter-in-law, son-in-law, brother-in-law or sister-in-law, including adoptive relationships (such persons, "Family Members"), (ii) a company, partnership, limited liability company or other business entity whose only shareholders, partners or members, as applicable are the grantee and/or Family Members, or (iii) a trust in which the grantee and/or Family Members have all of the beneficial interests, and subsequent to any such transfer any Award may be exercised by any such transferee.

12. Adjustments; Corporate Transactions

In the event of (i) a stock dividend, stock split, reverse stock split, share combination, or recapitalization or similar event affecting the capital structure of the Company, or (ii) a merger, consolidation, amalgamation, scheme of arrangement, acquisition of property or shares, separation, spinoff, reorganization, stock rights offering, liquidation, Disaffiliation, or similar event affecting the Company or any of its Subsidiaries (each, a "Corporate Transaction"), the Committee or the Board may in its discretion make such substitutions or adjustments as it deems appropriate and equitable to (A) the aggregate number and kind of Shares or other securities reserved for issuance and delivery under the Plan; (B) the number and kind of Shares or other securities subject to outstanding Awards; and (C) the exercise price of outstanding Share Options and Share Appreciation Rights. In the case of Corporate Transactions, such adjustments may include, without limitation, (1) the cancellation of outstanding Awards in exchange for payments of cash, property or a combination thereof having an aggregate value equal to the value of such Awards, as determined by the Committee or the Board in its sole discretion (it being understood that in the case of a Corporate Transaction with respect to which holders of Shares receive consideration other than publicly traded equity securities of the ultimate surviving entity, any such determination by the Committee that the value of a Share Option or Share Appreciation Right shall for this purpose be deemed to equal the excess, if any, of the value of the consideration being paid for each Share pursuant to such Corporate Transaction over the exercise price of such Share Option or Share Appreciation Right shall conclusively be deemed valid); and (2) the substitution of other property of equal value (including, without limitation, cash or other securities of the Company and securities of entities other than the Company) for the Shares subject to outstanding Awards.

13. Termination and Amendment

(a) *Amendment or Termination by the Board.* The Board, without further approval of the shareholders of the Company, may amend or terminate the Plan or any portion thereof at any time, except that no amendment shall become effective without approval of the shareholders of the Company if shareholder approval is necessary to comply with any tax or regulatory requirement or rule of any Applicable Exchange.

(b) *Amendments by the Committee.* The Committee shall be authorized to make minor or administrative amendments to the Plan as well as amendments to the Plan that may be

dictated by requirements of U.S. federal or state laws or any foreign laws applicable to the Company or that may be authorized or made desirable by such laws.

(c) *Amendments to Awards.* The Committee may amend any outstanding Award in any manner as provided in Section 12. In addition, the Committee may otherwise modify or amend any outstanding Award to the extent that the Committee would have had the authority to make such Award as so amended.

14. Non-Guarantee of Employment

Nothing in the Plan or in any Grant Agreement thereunder shall confer any right on an employee to continue in the employ of the Company or any Subsidiary of the Company or shall interfere in any way with the right of the Company or any Subsidiary of the Company to terminate an employee at any time.

15. Written Agreement

Each Grant Agreement entered into between the Company and a grantee with respect to an Award granted under the Plan shall incorporate the terms of this Plan and shall contain such provisions, not inconsistent with the provisions of the Plan, as may be established by the Committee. The Committee may require, as a condition to the grant of any Award under the Plan, vesting or exercise pursuant to such Award or the delivery of certificates for or registration of Shares issued pursuant to the Plan or a Grant Agreement, that the grantee or any other person exercising such Award become subject to the Shareholders Agreement.

16. Non-Uniform Determinations

The Committee's determinations under the Plan (including without limitation determinations of the persons to receive Awards, the form, amount and time of such Awards, the terms and provisions of such Awards and the agreements evidencing same) need not be uniform and may be made by it selectively among persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated.

17. Listing and Registration

If the Company determines that the listing, registration or qualification upon any Applicable Exchange or under any law of Shares subject to any Award is necessary or desirable as a condition of, or in connection with, the granting of same or the issue or purchase of Shares thereunder, no such Award may be exercised in whole or in part and no restrictions on such Award shall lapse, unless such listing, registration or qualification is effected free of any conditions not acceptable to the Company.

18. Compliance with Securities Law

The Company may require that a grantee, as a condition to exercise of an Award, and as a condition to the delivery of any share certificate, provide to the Company, at the time of each such exercise and each such delivery, a written representation that the Shares being acquired shall be acquired by the grantee solely for investment and will not be sold or transferred without

registration or the availability of an exemption from registration under the Securities Act and applicable state securities laws and other applicable laws. The Company may also require that a grantee submit other written representations that will permit the Company to comply with federal and applicable state securities laws in connection with the issuance of the Shares, including representations as to the knowledge and experience in financial and business matters of the grantee and the grantee's ability to bear the economic risk of the grantee's investment. The Company may require that the grantee obtain a "purchaser representative" as that term is defined in applicable federal and state securities laws. Any share certificates for Shares issued pursuant to this Plan may bear a legend restricting transferability of the Shares unless such Shares are registered or an exemption from registration is available under the Securities Act and applicable securities laws of the states of the U.S. and other applicable laws and unless such transfer is in accordance with the Shareholders Agreement. The Company may notify its transfer agent to stop any transfer of Shares not made in compliance with these restrictions. Shares shall not be issued with respect to an Award granted under the Plan unless the exercise of such Award and the issuance and delivery of share certificates for such Shares pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act, the Exchange Act, the rules and regulations promulgated thereunder and the requirements of any Applicable Exchange, and shall be further subject to the approval of counsel for the Company with respect to such compliance to the extent such approval is sought by the Committee.

19. No Trust or Fund Created

Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a grantee or any other person. To the extent that any grantee or other person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

20. No Limit on Other Compensation Arrangements

Nothing contained in the Plan shall prevent the Company or any of its Subsidiaries from adopting or continuing in effect other compensation arrangements (whether such arrangements be generally applicable or applicable only in specific cases), including without limitation the granting of Share Options, Restricted Shares, Restricted Share Units, Share Appreciation Rights or Phantom Share Units otherwise than under the Plan.

21. No Restriction of Corporate Action

Nothing contained in the Plan shall be construed to limit or impair the power of the Company or any of its Subsidiaries to make adjustments, reclassifications, reorganizations, or changes in its capital or business structure, or to amalgamate, merge or consolidate, liquidate, sell or transfer all or any part of its business or assets or, except as otherwise provided herein, or in a Grant Agreement, to take other actions which it deems to be necessary or appropriate. No employee, beneficiary or other person shall have any claim against the Company or any of its Subsidiaries as a result of such action.

22. Governing Law

The validity, construction and effect of the Plan, of Grant Agreements entered into pursuant to the Plan, and of any rules, regulations, determinations or decisions made by the Board or Committee relating to the Plan or such Grant Agreements, and the rights of any and all persons having or claiming to have any interest therein or thereunder, shall be determined in accordance with applicable federal laws and the laws of Bermuda. Unless otherwise provided in the Grant Agreement, recipients of an Award under the Plan are deemed to submit to the exclusive jurisdiction and venue of the courts of Bermuda, to resolve any and all issues that may arise out of or relate to the Plan or any related Grant Agreement.

23. Plan Subject to Charter and Bye-Laws

This Plan is subject to the Memorandum of Association and Bye-Laws of the Company, as they may be amended from time to time.

24. Effective Date; Termination Date

The Plan is effective as of January 28, 2005. No Award shall be granted under the Plan after the close of business on the day immediately preceding the tenth anniversary of the effective date of the Plan. Subject to other applicable provisions of the Plan, all Awards made under the Plan prior to such termination of the Plan shall remain in effect until such Awards have been satisfied or terminated in accordance with the Plan and the terms of such Awards.

RESTRICTED SHARE AGREEMENT

RESTRICTED SHARE AGREEMENT (this "Agreement"), entered into as of [], between Intelsat Holdings, Ltd. (the "Company"), and [] (the "Employee");

WHEREAS, the Employee has agreed to perform services for the Company or one or more of its Subsidiaries (the "Employer"); and

WHEREAS, in consideration for such services, the Company desires to grant the Employee restricted Shares (the "Restricted Shares");

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto do hereby agree as follows:

1. Capitalized Terms. Capitalized terms not defined herein shall have the meaning ascribed to such terms in the Company's 2005 Share Incentive Plan (the "Plan").
2. Grant. The Employee is hereby granted, effective as of the Closing and subject to the terms and conditions of this Agreement, [] Restricted Shares. The Employee acknowledges that the Restricted Shares will be subject to the terms and conditions set forth in this Agreement and shall be subject to a substantial risk of forfeiture and restrictions on transferability.
3. Equity Plan. The Restricted Shares and this Agreement shall be subject to the terms of the Plan, to the extent the terms of such Plan are not inconsistent with the terms of this Agreement. In the event of any inconsistency between the terms of the Plan and the terms of this Agreement, this Agreement shall govern.
4. Vesting. So long as the Employee becomes a party to the Shareholders Agreement with respect to any Restricted Shares:
 - (a) Time-Vesting Shares. 50 percent of the Restricted Shares (the "Time-Vesting Shares") shall vest over sixty months with 7/60 of the Time Vesting Shares vesting on August 1, 2005 and the remainder of the Time Vesting Shares vesting in fifty-three equal monthly installments of 1/60 of the Time Vesting Shares per month commencing on September 1, 2005, subject to the Employee's continued employment on the date of vesting and to Section 5 below.
 - (b) Performance Shares. Up to an additional 50 percent of the Restricted Shares (the "Performance Shares") shall vest if and when the Investors have received (determined in accordance with Section 4(b)(i) and (ii) hereof) a Cumulative Total Return between 2.5 to 3 times the amount invested by the Investors collectively prior to the eighth anniversary of the Closing, subject to the Employee's continued employment as of the date, if any, that such Cumulative Total Return is reached and to Section 5 below. If the Performance Shares remain outstanding but not yet vested as of the eighth anniversary of the Closing, they shall be forfeited

upon such anniversary. The amount of Performance Shares that vest shall be calculated as follows:

(i) The Committee shall determine from time to time whether the Investors have received a Cumulative Total Return equal to or exceeding 2.5 times the amount invested by the Investors. If at any time prior to the eighth anniversary of the Closing, the Cumulative Total Return received by the Investors equals:

(A) 2.5 times the amount invested by the Investors collectively, then 1 Performance Share shall vest;

(B) an amount greater than 2.5 times and less than 3 times the amount invested by the Investors collectively, then the number of Performance Shares which shall vest shall be interpolated on a straight line basis and rounded to the nearest whole share; and

(C) 3 times the amount invested by the Investors collectively, then all of the Performance Shares shall vest.

(ii) If, following each such determination pursuant to clause (i) above, resulting in vesting of Performance Shares, but prior to the eighth anniversary of the Closing Date, the Cumulative Total Return received by the Investors equals or exceeds the highest previous determined multiple of the amount invested by the Investors, a number of additional Performance Shares will vest equal to

(A) the number of Performance Shares that would have vested pursuant to clause 4(b)(i) above had such higher multiple been used, minus

(B) the number of Performance Shares previously vested.

Notwithstanding the foregoing, no additional Performance Shares shall vest after all Performance Shares referred to in Section 4(b)(i) have vested, and upon a corporate transaction in which all of the shares of common stock of the Company and shares of Series A 9.75 preferred stock of the Company are converted into the right to receive cash, Cumulative Total Return shall be finally determined and there shall be no further opportunity to vest in Performance Shares.

5. Termination of Employment.

- (a) Termination without Cause. In the event of the Employee's Termination of Employment by the Employer without Cause, subject to the Employee's continued compliance with any post-termination obligations of the Employee to the Company and its Affiliates (including any obligations pursuant to any employment, severance or termination arrangement):
- (i) Time Vested Shares. Any unvested Time-Vesting Shares (and the related cash dividends and proceeds thereof held by the Company in accordance with Section 7 hereof ("Custodial Dividends"), if any, with respect to such Shares which have not vested at the time of the dividend payment) shall be forfeited as of the date of termination; provided, that if the Termination of Employment without Cause occurs within the six-month period after a Change of Control, all unvested Time-Vesting Shares (and the related Custodial Dividends, if any, with respect to such Shares which have not vested at the time of the dividend payment) shall vest as of the date of termination.
- (ii) Performance Shares. If the Performance Shares (and the related Custodial Dividends, if any, with respect to such Shares which have not vested at the time of the dividend payment) are not vested as of the date of the Employee's Termination of Employment by the Company without Cause, they shall remain outstanding until the 180th day following the date of termination, and if still unvested as of such day, shall be forfeited; provided, that in the event that such termination is within six months following a merger of the Company with or into, an acquisition by the Company of, or an acquisition of the Company by, any of the entities set forth on Exhibit A of this Agreement or any transaction involving the Company's Subsidiaries to effectuate the foregoing, the Performance Shares (and the related Custodial Dividends paid, if any, with respect to such Shares which have not vested at the time of the dividend payment) will remain outstanding and if the Investors receive a Cumulative Total Return equal to or in excess of 2.5 times the amount invested by the Investors collectively prior to the eighth anniversary of the Closing, the Employee will vest in a number of Performance Shares (and the related Custodial Dividends paid, if any, with respect to such Shares which have not vested at the time of the dividend payment), and at the dates of determination referred to in Section 4(b)(i) and (ii) above, equal to the difference between (1) the product of (x) the total number of Performance Shares which would have been vested as of the date of the determination had the Employee remained employed through such date and (y) a fraction, the numerator of which is the period of time that the Employee was employed by an Employer from the Closing and the denominator of which is the period of time from the Closing until the date of such determination, and (2) any Performance Shares that have already vested. All other Performance Shares (and the related Custodial Dividends paid, if any, with respect to such Shares which have not vested at the time of the dividend payment) will be forfeited. If the Performance Shares (and the related Custodial Dividends paid, if any, with respect to such Shares which have not vested at the time of the dividend payment) remain outstanding but not yet vested as of the eighth anniversary of the Closing, they shall be forfeited.
- (iii) Repurchase Right. Subject to Section 6 hereof, any Common Stock held by the Employee as a result of the vesting of Restricted Shares may be repurchased

by the Company at any time during the two-year period following (x) the date of Termination of Employment in the event such shares of Common Stock were vested as of such termination and (y) the vesting of Common Stock in the event such vesting occurred after the date of Termination of Employment, each at a price per share equal to the Fair Market Value of such share as of the date of such Termination of Employment, provided, that the repurchase price for Common Stock vesting after Termination of Employment shall be the Fair Market Value of such share on the date of the applicable vesting event.

- (b) Resignation by the Employee. In the event of the Employee's Termination of Employment by resignation, all unvested Restricted Shares shall be immediately forfeited. Any Common Stock held by the Employee as a result of the vesting of Restricted Shares may be repurchased by the Company at any time following (x) the date of Termination of Employment in the event such shares of Common Stock were vested as of such termination and (y) the vesting of shares of Common Stock in the event such vesting occurred after the date of Termination of Employment at a purchase price per share equal to the lesser of (i) the Fair Market Value of such share on the date of such termination, or (ii) (x) the Fair Market Value of such share on the date of the Closing minus (y) the value of any dividends, distributions, or dividend equivalents previously paid to the Employee in respect of such share (subject to equitable adjustment in the Committee's discretion to reflect dividends, distributions, corporate transactions, or similar events, to the extent not reflected in (y)) but in no event less than the par value of such share.
- (c) Death and Disability.
- (i) Treatment. In the event of the Employee's Termination of Employment by reason of the Employee's death or Disability, any Time-Vesting Shares (and the related Custodial Dividends paid, if any, with respect to such Shares which have not vested at the time of the dividend payment) that are not vested as of the date of death or Disability shall vest as of the date of death or Termination of Employment due to Disability. If the Performance Shares (and the related Custodial Dividends paid, if any, with respect to such Shares which have not vested at the time of the dividend payment) are not vested as of the date of death or of Termination of Employment due to Disability, the Performance Shares (and the related Custodial Dividends paid, if any, with respect to such Shares which have not vested at the time of the dividend payment) will remain outstanding and if the Investors receive a Cumulative Total Return equal to or in excess of 2.5 times the amount invested by the Investors collectively prior to the eighth anniversary of the Closing, the Employee will vest in a number of Performance Shares (and the related Custodial Dividends paid, if any, with respect to such Shares which have not vested at the time of the dividend payment), and at the dates of determination referred to in Section 4(b)(i) and (ii) above, equal to the difference between (1) the product of (x) the

total number of Performance Shares which would have been vested as of the date of the determination had the Employee remained employed through such date and (y) a fraction, the numerator of which is the period of time that the Employee was employed by an Employer from the Closing and the denominator of which is the period of time from the Closing until the date of such determination, and (2) any Performance Shares that already vested. All other Performance Shares (and the related Custodial Dividends paid, if any, with respect to such Shares which have not vested at the time of the dividend payment) will be forfeited. If the Performance Shares (and the related Custodial Dividends paid, if any, with respect to such Shares which have not vested at the time of the dividend payment) remain outstanding but not yet vested as of the eighth anniversary of the Closing, they shall be forfeited. Notwithstanding the foregoing, the Committee, in its sole discretion, may permit the vesting of any Performance Shares that are not vested as of the date of termination.

(ii) Repurchase of Vested Shares. Subject to Section 6 hereof, following the Termination of Employment due to death or Disability described above, any Common Stock held by the Employee as a result of the vesting of Restricted Shares may be repurchased by the Company at any time during the two-year period following (x) the date of Termination of Employment in the event such shares of Common Stock were vested as of such termination and (y) the vesting of shares of Common Stock in the event such vesting occurred after the date of Termination of Employment at a price per share equal to the Fair Market Value of such share on the date of such termination, provided, that the repurchase price for shares of Common Stock vesting after Termination of Employment shall be the Fair Market Value of such share on the date of the applicable vesting event.

(e) Termination for Cause. In the event of the Employee's Termination of Employment by the Employer for Cause, all Restricted Shares (and the related Custodial Dividends paid, if any, with respect to such Shares which have not vested at the time of the dividend payment) that have not yet been vested (or paid, as applicable) as of the date of termination, shall be forfeited as of the date of termination and from and after the date of such termination, the Company may repurchase any or all of such shares of Common Stock held by the Employee as a result of the vesting of Restricted Shares for a per share purchase price equal to the par value of such share.

6. Restrictions. In order to receive any grant hereunder, the Employee must be or become a party to the Shareholders Agreement and must execute the proxy attached hereto as Exhibit B of this Agreement. No portion of the Restricted Shares or rights granted hereunder may be sold, transferred, assigned, pledged or otherwise encumbered or disposed of by the Employee until such portion of the Restricted Shares becomes vested in accordance with Section 4 of this Agreement, and any purported sale, transfer, assignment, pledge, encumbrance or disposition shall be void and unenforceable against the Company. After the time that any portion of the Restricted Shares becomes vested, the transferability

of such portion of such shares shall be governed by the Shareholders Agreement. Notwithstanding anything to the contrary in Section 5 hereof, in the event that the Employee has transferred any Common Stock that was held by the Employee as a result of vesting of Restricted Shares to a person or entity other than a Family Member of such Employee or a grantor trust or similar entity for the benefit of such Employee's Family Member, and such transfer was in accordance with the terms of the Shareholders Agreement, the Company shall not have the right to repurchase such transferred shares. Any transferee of Shares from the Employee (and any subsequent transferee) shall be required to execute the proxy attached hereto as Exhibit B of this Agreement and become a party to the Shareholders Agreement.

7. Employee Shareholder Rights. Prior to the date on which the Restricted Shares vest, except as otherwise set forth herein, in the Plan or in the proxy executed by the Employee, the Employee shall have all rights of a shareholder with respect to the Restricted Shares. Notwithstanding the foregoing, cash dividends, if any, paid with respect to any Restricted Shares which have not vested at the time of the dividend payment shall be paid to and held in the custody of the Company, shall accrue interest at the lesser of the interest rate applicable to the primary revolving credit agreement of the Company or its Subsidiaries, as in effect from time to time, or 5% compound interest per annum, and shall be subject to the same restrictions that apply to the corresponding Restricted Shares. At such time as any Restricted Share vests (or, at the Company's election, on the next regular quarterly dividend date), any such Custodial Dividends held by the Company (including any interest thereon payable in accordance with this Section 7) with respect to such vested share shall be paid to the Employee. Following the date upon which the Restricted Shares vest, all sales, transfers, assignments, pledges or other encumbrances and dispositions shall be subject to the terms of the Shareholders Agreement.
8. Changes in Stock. In the event of any stock split, reverse stock split, dividend, merger, consolidation, recapitalization or similar event affecting the capital structure of the Parent, the number and kind of shares (or other property, including without limitation cash) subject to this Agreement shall be equitably adjusted by the Committee to prevent the dilution or enlargement of the value of the Employee's Restricted Shares (taking into account any related Custodial Dividends). Notwithstanding anything in this Agreement to the contrary, upon a corporate transaction in which all of the shares of Common Stock and Preferred Shares are converted into the right to receive cash, Cumulative Total Return shall be finally determined and there shall be no further opportunity to vest in any Performance Shares.
9. Taxes. No later than the date as of which an amount first becomes includible in the gross income of the Employee for federal income tax purposes with respect to any Restricted Shares, the Employee shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, all federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld with respect to such amount, provided, that the Company may require the deduction of any such taxes from any payment otherwise due to the Employee, including the delivery of the Restricted Shares that gives rise to the withholding requirement.

10. Notices. Any notices required or permitted hereunder shall be addressed to the Company at its corporate headquarters, attention: General Counsel, or to the Employee at the address then on record with the Company, as the case may be, and deposited, postage prepaid, in the United States mail. Either party may, by notice to the other given in the manner aforesaid, change his/her or its address for future notices.
11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Bermuda without regard to its conflict of laws principles.
12. Successor. This Agreement shall bind and inure to the benefit of the Company, its successors and assigns, and the Employee and his or her personal representatives and assigns.
13. Amendment. In addition to any right of the Committee to amend or modify the terms of the Restricted Stock as set forth in the Plan, this Agreement may be amended or modified at any time by an instrument in writing signed by the parties hereto.
14. Laws and Regulations. No shares of Common Stock shall be issued under this Agreement unless and until all legal requirements applicable to the issuance of such shares have been complied with to the satisfaction of the Committee. The Committee shall have the right to condition any issuance of shares of Common Stock to the Employee hereunder on the Employee's undertaking in writing to comply with such restrictions on the subsequent disposition of such shares as the Committee shall deem necessary or advisable as a result of any applicable law or regulation.
15. Miscellaneous.
 - (a) The Company shall not be required (i) to transfer on its books any Restricted Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Agreement, the Plan or the Shareholders Agreement or (ii) to treat as owner of such shares or to accord the right to vote as such owner or to pay dividends to any transferee to whom such shares shall have been so transferred.
 - (b) This Agreement shall not be construed so as to grant the Employee any right to remain in the employ of the Company or any Subsidiary.
 - (c) This Agreement may be executed in counterparts, which together shall constitute one and the same original.
 - (d) This Agreement, the Shareholders Agreement and the Plan set forth the entire understanding and agreement of the Employee and the Company (or any Employer) with respect to Restricted Shares of the Company granted on or prior to the date hereof, and supersede any and all other understandings, commitments, term sheets, negotiations or agreements of or between the Employee and the Company (or any Employer) relating to restricted shares of the Company.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by its officer thereunder duly authorized and the Employee has hereunto set his hand, all as of the day and year first set forth above.

INTELSAT HOLDINGS, LTD.

Name:

Title:

ACCEPTED:

The undersigned hereby acknowledges having read this Restricted Share Agreement and, having had the opportunity to consult with legal and tax advisors, hereby agrees to be bound by all provisions set forth herein.

Employee

Exhibit A

New Skies
PanAm Sat
Eutelsat
SES Global

**Intelsat Holdings, Ltd.
Shareholder's Proxy**

By this irrevocable proxy, the undersigned, _____ (the "Grantor") as the holder of shares in Intelsat Holdings, Ltd. (the "Company") **HEREBY APPOINT(S)** Andrew Africk, failing whom, R. Allen Haight, failing whom, James Perry and failing whom Andrew Sillitoe, and each of them to be the agent and standing proxy of the undersigned to represent the undersigned and to vote on behalf of the undersigned at any General Meeting of the Company and at any adjournment thereof and, on behalf of the undersigned, to consent to short notice of any such meeting, and, on behalf of the undersigned to execute any resolutions being written resolutions in lieu of any general meeting of the Company.

Dated the _____ day of _____, _____.

[Name of Shareholder]

Signed by the above Grantor
in the presence of:

Witness Signature: – _____

Witness Name (Print): – _____

Witness Address (Print): – _____

INTELSAT HOLDINGS, LTD.

BONUS PLAN

I. PURPOSE

The Intelsat Holdings, Ltd. Bonus Plan (the "Plan"), which shall be effective as of May 6, 2005 (the "Effective Date"), is designed to provide to selected officers and employees of Intelsat Holdings, Ltd. (the "Company") and its direct and indirect subsidiaries ("Subsidiaries") incentives linked to the financial results of the Company and its Subsidiaries.

II. DEFINITIONS

Section 2.1 "Board" shall mean the Board of Directors of the Company.

Section 2.2 "Bonus" shall mean an award payable to a Participant pursuant to the terms of the Plan.

Section 2.3 "Compensation Committee" shall mean the compensation committee of the Board, or if there is no such committee, the Board.

Section 2.4 "Participants" shall mean officers and employees of the Company and its Subsidiaries who are selected by the Committee to participate in the Plan.

Section 2.5 "Payment Date" shall mean the date designated by the Compensation Committee for payment at the time that the Compensation Committee awards a Bonus, which, unless otherwise determined by the Compensation Committee, shall be no later than March 15 of the fiscal year following the fiscal year with respect to which the Bonus is earned.

III. ADMINISTRATION

The Plan shall be administered by the Compensation Committee. The Compensation Committee may delegate authority to one or more senior executives of the Company or its Subsidiaries to administer the Plan for Participants (other than for Participants who are senior executives of the Company or its Subsidiaries), subject to such terms and conditions or parameters which the Compensation Committee may preserve. The Compensation Committee shall have full power and authority to administer and interpret the Plan and to adopt such rules, regulations, agreements, guidelines and instruments for the administration of the Plan as the Compensation Committee deems necessary, desirable or appropriate. All actions taken and decisions and determinations made by the Compensation Committee or a delegate on all matters relating to the Plan pursuant to the powers vested in it hereunder shall be in the Compensation Committee's or its delegate's sole and absolute discretion and shall be conclusive and binding on all parties concerned, including the Company and its subsidiaries, its shareholders, any Participants and any other employee of the Company, and their respective successors in interest. To the maximum extent permitted by law, no member of the Compensation Committee or the Board (or any delegate) shall be liable for any action taken or decision made in good faith relating to the Plan or any Bonus granted hereunder. To the full extent permitted by law, the Company shall indemnify and hold harmless each member of the Compensation Committee or the Board (or any delegate) made or threatened to be made a party to any civil or criminal action or proceeding by reason of the fact that such person, or such person's testator or intestate, is or was a member of the Committee (or acted under the Plan pursuant to this Article III).

IV. ELIGIBILITY

The Compensation Committee shall, in its sole discretion, select for each fiscal year the officers and employees of the Company and its subsidiaries who will be Participants in the Plan for such fiscal year based upon such officers' and employees' opportunity, in the sole discretion of the Compensation Committee, to impact on the Company's or its subsidiaries' performance. Nothing in the Plan shall be construed as or be evidence of any contract of employment with any Participant for a term of any length nor shall participation in the Plan in any year by any Participant require continued participation by such Participant in any subsequent year. Neither the adoption of the Plan nor the designation of an employee as a Participant shall confer upon any employee any right to continued employment nor shall it interfere in any way with the right of the Company or its subsidiaries to terminate the employment of any employee at any time.

V. DETERMINATION OF BONUS

The form, timing and amount of each Bonus awarded to a Participant shall be determined by and in the sole discretion of the Compensation Committee. The Compensation Committee may condition the earning of a Bonus upon such goals, factors or criteria as may be approved by the Compensation Committee from time to time, which goals, factors or criteria may be different for each Participant. The Compensation Committee may, in its sole discretion, increase or decrease the amount of any Bonus payable to a Participant and may award Bonuses to Participants even though the Bonuses are not earned. Bonuses earned or otherwise awarded will be paid on the Payment Date and will be paid in cash unless otherwise determined by the Compensation Committee. The Company or its subsidiaries shall be entitled to withhold from

any payments under the Plan any and all Federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount.

VI. TERMINATION OF EMPLOYMENT

In the event that a Participant's employment with the Company or any of its subsidiaries terminates for any reason prior to the Payment Date with respect to any Bonus, the balance of any Bonus which remains unpaid at the time of such termination shall be payable to the Participant, or forfeited by the Participant, in accordance with the terms of the award established by the Compensation Committee at the time of grant or thereafter, or pursuant to any individual agreement applicable to such Participant.

VII. AMENDMENT AND TERMINATION

The Board shall have the right in its sole discretion to modify or amend the Plan from time to time or to terminate the Plan.

VIII. MISCELLANEOUS

Section 8.1 Source of Payments. Neither the Plan nor any Bonus shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or its subsidiaries and a Participant or any other person. To the extent that any Participant or other person acquires a right to receive payments from the Company or any of its subsidiaries pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or the applicable subsidiary, and none of the Company nor any of its subsidiaries shall have any obligation to segregate assets for payments under the Plan.

Section 8.2. Other Arrangements. Nothing contained in the Plan shall prevent the Company and its subsidiaries from adopting other or additional compensation arrangements for any of its employees.

Section 8.3 Governing Law. The Plan shall be governed by and construed in accordance with the laws of Bermuda, without regard to its principles of conflict of laws and the Plan shall be subject to all applicable regulatory, governmental or other authorities. To the extent that any of the terms of the Plan shall contravene any such laws, the terms of the Plan shall be reformed to comply with such laws in a manner that shall least affect the terms of the Plan.

Section 8.4 Company Governing Documents. This Plan is subject to the Memorandum of Association and Bye-Laws of the Company, as they may be amended from time to time.

Section 8.5 Headings. The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of the Plan.