

**REPORT OF THE DIRECTOR GENERAL
ON THE FUNDING AGREEMENT**

I. BACKGROUND

1. The funding of the ITSO yearly budget is one of the major provisions under the Public Services Agreement (PSA) between ITSO and the Company (initially Intelsat but since July 2025 SES). The PSA also sets out the parameters and processes to be followed in negotiating a funding agreement. This report provides an update on the negotiations that took place with Intelsat in respect of funding for the fiscal year FY 2026 and later on with SES for the fiscal years FY2026, FY2027 and FY2028.

II. DISCUSSION

2. The Public Services Agreement (PSA) between ITSO and Intelsat requires Intelsat and now SES, which is a successor of Intelsat in accordance with Article 12 of the PSA¹, to fund ITSO annually following good faith negotiations between the Director General of ITSO and the CEO of the Company, based upon the principles and financial expenditures of ITSO during the initial twelve-year period.

3. While the initial funding for ITSO from 2001 to 2012 was through an annuity established at the time of restructuring, from 2013 onwards, the Company is responsible for providing the funds in accordance with the PSA and, indeed, Intelsat provided funds to ITSO until 2019 without any major issues. From 2013 to 2019, the funding agreements between ITSO and Intelsat were made for durations of three financial years each and in that way, financial planning and stability were ensured, particularly in between the meetings of the Assembly of Parties that take place every two years. Therefore, following the restructuring, ITSO started off with US\$1.3 million in 2001 and the funding increased annually to about US\$1.8 million by 2019. However, as has been extensively reported in the past to the Parties, Intelsat decided to unilaterally and very drastically cut back ITSO's annual funding starting in July 2019, which led to radical change in relationship between the two organizations.

¹ Article 12 of the PSA "Successors and Assigns" states that "*This PSA shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and permitted assigns of Intelsat. Nothing in this PSA, express or implied, is intended to confer upon any Person other than the parties hereto, their successors or Intelsat's permitted assigns, any rights or remedies under or by reason of this PSA.*"

ITSO RESTRICTED

IAC-26-7E W/03/26

Page 2

4. The 41st Assembly of Parties (AP-41) approved the budget for FY2026 of US\$1.355 million. AP-41 also approved the minimum budgets for ITSO US \$1.3 million for years in which an ordinary Assembly is held and US \$1.2 million for the other years (2024 dollars), reflecting the minimum resources required for the Organization to fulfill its mandate.

5. AP-41 instructed the Director General to negotiate with the Company a multi-year funding agreement to ensure sustained financial support between ordinary Assembly meetings. Furthermore, AP-41 directed the Director General to seek an inflation-indexed adjustment to Intelsat's minimum annual contribution, using the average inflation rate published by the U.S. Bureau of Labor Statistics for the relevant financial period. Finally, the Assembly authorized the Director General to pursue alternative funding options to restore the contingency fund to its pre-arbitration level, particularly in the event ITSO must initiate another arbitration proceeding under Article 6 of the PSA.

III. NEGOTIATION OUTCOMES AND NEXT STEPS

6. The previous Director General entered into a funding agreement with Intelsat on July 3 2025.² As in recent years, these negotiations were conducted by Intelsat essentially on a take it or leave it basis, which allowed no opportunity for consideration of ITSO's actual funding requirements. Intelsat has agreed to provide only US\$850,000, along with US\$149,000 for costs associated with the Assembly of Parties, resulting in a US\$356,000 shortfall from the approved budget by the AP for FY2026 of US\$1.355 million and US\$36,000 less than the funding provided for AP-41 in 2024, which was already insufficient. Intelsat not only reduced the total funding provided compared to prior years but also added onerous payment terms with monthly payments (rather than quarterly or semi-annually, which has previously been the arrangement). Finally, to make things even worse, Intelsat has failed to make the initial payment due on July 1, creating serious difficulties for ITSO in terms of expense management.

7. Since assuming the post, the Director General has held several meetings with SES to advise SES of the Parties' specific funding concerns, with the objective of negotiating a better funding agreement with SES. As a result of good faith negotiations between the Director General and the CEO of SES, a new Funding Agreement was signed between ITSO and SES on December 8, 2025.³

8. The Funding Agreement covers a three-year period (FY2026, FY2027 and FY2028) and provides US\$1.2 million annually to ITSO to be paid in quarterly instalments. It replaces the Funding Agreement that was signed by the previous Director General and Intelsat on July 3, 2025 (for FY2026).

² A copy of the negotiated funding agreement for FY2026 is contained in Attachment 1.

³ A copy of the negotiated new funding agreement with SES for FY2026, FY2027 and FY2028 is contained in Attachment 2.

ITSO RESTRICTED

IAC-26-7E W/03/26

Page 3

9. The agreed amount is slightly below the budget approved by AP-41 of US\$1.355 million and the minimum level established by AP-41 for years with Assembly of Parties (US\$1.3 million). In addition, the Funding Agreement does not account for inflation, does not include additional funds to pay any outstanding obligations and does not address replenishment of the Contingency Fund.

10. Nevertheless, the Funding Agreement with SES provides much-needed financial stability for the Organization and represents a significant improvement over the funding levels received since 2019. Furthermore, SES's willingness to increase funding for the current fiscal year for which a funding agreement, previously entered into with Intelsat, was in place, to commit to a multi-year agreement, and to adopt a more efficient quarterly payment structure show a sign of good faith from SES, signaling their desire to build a constructive and lasting partnership with ITSO.

IV. OUTSTANDING FINANCIAL ISSUES

11. There are still some financial issues dating back to FY2021–FY2022 which remain unresolved.

Voluntary Contributions by Parties

12. During the 2021–2022 funding crisis, in response to a request from the previous Director General, some ITSO Parties provided approximately US\$111,000 in voluntary contributions to enable ITSO to continue operations. While the previous Director General indicated those amounts would be reimbursed by Intelsat, the matter was not resolved during the mandate of the previous Director General and before SES acquired Intelsat. None of the funding agreements with Intelsat, including for FY2026, addressed these amounts and it was not included in the funding agreement with SES.

13. The Director General recognizes the generosity of the Parties which was essential for the Organization during the period of extreme financial difficulties. The Director General is working on the best way possible to address this matter in line with the ITSO Agreement, the PSA, and Assembly decisions and will report back to AP-42.

Amounts Owed to the Legal Advisor

14. There were also amounts owed to the Legal Advisor from FY2020–FY2021, totaling US\$19,750. The Director General has agreed with the Legal Advisor on a settlement and has included these amounts in the FY2026 budget, with payment expected during that fiscal year.

Contingency Fund

ITSO RESTRICTED

IAC-26-7E W/03/26

Page 4

15. The Contingency Fund, fully depleted during the 2019–2020 arbitration, has not been replenished despite AP-40’s request. There is currently no clear legal basis to require replenishment under the existing framework, and the issue remains unresolved.

V. CONCLUSION

16. The Director General is pleased to report that a three-year funding agreement was finalized on December 8, 2025, that will provide much-needed financial stability and continuity for the Organization. The Director General is also pleased to report that the outstanding debts to the Legal Advisor that were incurred since FY2020 will be paid in full by the end of FY2026. The Director General recognizes the generosity of the Parties that provided voluntary contributions during the 2021–2022 funding crisis and is working on the best way possible to address this matter in line with the ITSO Agreement, the PSA, and Assembly decisions and will report back to AP-42.

ITSO RESTRICTED

ATTACHMENT NO.1 TO
IAC-26-7E W/03/26

INITIAL FUNDING AGREEMENT

ITSO FISCAL YEAR 2026

(IN ENGLISH ONLY)

FUNDING AGREEMENT – ITSO FISCAL YEAR 2026

This Funding Agreement ("Agreement") is entered into as of July 1, 2025, by and between Intelsat S.A. ("Intelsat"), and the International Telecommunications Satellite Organization ("ITSO," and together with Intelsat, the "Parties").

WHEREAS, in accordance with Article 14 of the Public Services Agreement ("PSA") previously entered into by ITSO and Intelsat on July 17, 2001, the amount of funding for ITSO is determined on an annual basis pursuant to good faith negotiations between ITSO and Intelsat; and

WHEREAS, the negotiations called for in Article 14 of the PSA have been conducted and agreement has been reached;

NOW THEREFORE, in consideration of the promises and agreements contained herein, the Parties agree as follows:

1. Funding Level for ITSO Fiscal Year 2026. Intelsat agrees to provide funding to ITSO for the fiscal year commencing on July 1, 2025 and ending on June 30, 2026 ("ITSO Fiscal Year 2026") in the total amount of \$850,000 ("ITSO Funding"). This represents the total funding for the ITSO Fiscal Year 2026, it being understood that Intelsat shall have no further financial obligation or be required to make any additional payments to ITSO towards ITSO Funding, including payments to cover ITSO's expenses.

2. Timing of ITSO Funding Payments. Intelsat shall provide the ITSO Funding in monthly installments of \$70,833.33 due and payable on the first of the month commencing on July 1, 2025 and ending on June 1, 2026.

3. Assembly of Parties. Intelsat agrees to reimburse ITSO for expenses incurred for the 2026 Assembly of Parties in an amount not to exceed \$149,000, which shall be paid within a reasonable time after invoices are submitted and agreed to by Intelsat. The Parties agree that except as set forth herein, no further payments or reimbursements are due and payable by Intelsat towards the 2026 Assembly of Parties.

4. Amendments. This Agreement may not be modified, amended, or supplemented without the prior written consent of ITSO and Intelsat.

AA

ITSO RESTRICTED

ATTACHMENT NO.1 TO
IAC-26-7E W/03/26
Page 2

5. Notices. Unless otherwise specified, all notices required or permitted under this Agreement shall be in writing and shall be delivered by email and (a) hand or (b) prepaid delivery service with package tracking capabilities. Such notices shall be addressed to:

a) For notices to ITSO:

International Telecommunications Satellite Organization
Attn: Patrick Masambu
Email: pmasambu@itso.int

b) For notices to Intelsat:

Intelsat S.A.
7900 Tysons One Place
McLean, Virginia 23219
Attn: Michelle Bryan
Email: michelle.bryan@intelsat.com

6. Governing Law; Dispute Resolution; Expert Proceedings. This Agreement shall be governed by and construed under the laws of the State of New York, without regard to conflicts of laws principles that would require the application of the law of another jurisdiction.

7. Severability. If any provision of this Agreement is found or held to be invalid or unenforceable by a court, arbitrator, or other decision-making body of competent jurisdiction, the remainder of this Agreement shall remain valid and enforceable to the greatest extent allowed by such court, arbitrator, or body under law.

8. Successors and Assigns. The obligations and duties in this Agreement may not be assigned or transferred absent written consent of the Parties, unless specifically stated otherwise. This Agreement shall be binding upon the Parties hereto and their respective affiliates, successors and assigns.

9. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, but all of which together shall constitute one and the same instrument.

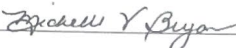


ITSO RESTRICTED

ATTACHMENT NO.1 TO
IAC-26-7E W/03/26
Page 3

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date set forth above.

MICHELLE V. BRYAN, on behalf of
Intelsat S.A.

By: 

Name: Michelle V. Bryan
Title: General Counsel, and Chief
Administrative Officer

PATRICK MASAMBU on behalf of
**International Telecommunications
Satellite Organization**

By: 

Name: Patrick Masambu
Title: Director General of ITSO

ITSO RESTRICTED

ATTACHMENT NO.2 TO
IAC-26-7E W/03/26

NEW FUNDING AGREEMENT WITH SES

ITSO FISCAL YEARS 2026, 2027 AND 2028

(IN ENGLISH ONLY)

DocuSign Envelope ID: 6F4F4B07-040B-46C3-A351-F330BE75C577

FUNDING AGREEMENT – ITSO FISCAL YEARS 2026, 2027 AND 2028

This Funding Agreement (“Agreement”) is entered into as of December 8, 2025, by and between SES S.A. (“SES” or the “Company”), and the International Telecommunications Satellite Organization (“ITSO” and together with SES, the “Parties”).

WHEREAS, in accordance with Article 14 of the Public Services Agreement (the “PSA”) previously entered into by ITSO and Intelsat on July 17, 2001, in the event that ITSO continues beyond twelve years, the amount of funding for ITSO on an annual basis thereafter shall be negotiated, in good faith, by ITSO and the Company, subject to certain conditions set forth in Article 14;

WHEREAS, ITSO and Intelsat previously agreed on the annual funding for ITSO Fiscal Year 2026;

WHEREAS, with the acquisition of Intelsat by SES completed on July 17, 2025, the obligations set for in Article 14 of the PSA are to hereafter be discharged jointly by ITSO and SES;

WHEREAS, further negotiations have now been conducted by ITSO and SES, consistent with Article 14 of the PSA, and an agreement has been reached;

NOW THEREFORE, in consideration of the promises and agreements contained herein, the Parties agree as follows:

1. Funding Level for ITSO Fiscal Years 2026, 2027 and 2028. SES has agreed to provide funding to ITSO for Fiscal Years 2026, 2027 and 2028 on the following basis, which represents the total funding for those fiscal years, it being understood that SES shall have no further financial obligations or be required to make any additional payments to ITSO to cover ITSO’s expenses for those fiscal years:
 - a. For ITSO Fiscal Year 2026. SES agrees to provide funding to ITSO for the fiscal year commencing on July 1, 2025, and ending on June 30, 2026 (“ITSO Fiscal Year 2026”) in the total amount of US\$1,200,000 (“ITSO Funding”). Since funding was already provided for the months of July, August, September, October and November, SES will provide a one-time payment in the amount of \$70,833.33 for the month of December 2025. For the remainder of ITSO Fiscal Year 2026, ITSO shall invoice SES quarterly in the amount of US\$387,500.01 with the first amount due by December 31, 2025, and the second due by March 31, 2026.
 - b. For ITSO Fiscal Years 2027 and 2028. SES agrees to provide funding in the total amount of US\$1,200,000 to ITSO for the 2027 and 2028 ITSO Fiscal Year commencing on July 1 and ending on June 30 of each Fiscal Year. Payments shall

ITSO RESTRICTED

ATTACHMENT NO.2 TO
IAC-26-7E W/03/26
Page 2

DocuSign Envelope ID: 6F4F4B07-040B-46C3-A351-F330BE75C577

be made on a quarterly basis as follows: SES shall, upon receipt of an ITSO invoice, pay US\$300,000 by June 30 of the previous Fiscal Year, US\$300,000 by September 30, US\$300,000 by December 31 and US\$300,000 by March 31 of each Fiscal Year.

2. Amendments. This Agreement may not be modified, amended, or supplemented without the prior written consent of ITSO and SES.
3. Notices. Unless otherwise specified, all notices required or permitted under this Agreement shall be in writing and shall be delivered by email and (a) hand or (b) prepaid delivery service with package tracking capabilities. Such notices shall be addressed to:
 - a. For notices to ITSO:
International Telecommunications Satellite Organization
Attn: Renata Brazil David
Email: rdavid@itso.int
 - b. For notices to SES:
SES S.A.
7900 Tysons One Place, 20th floor
McLean, Virginia 22102
Attn: Nancy Eskenazi, Senior Vice President, Global Legal & Regulatory Affairs
Email: nancy.eskenazi@ses.com
4. Severability. If any provision of this Agreement is found or held to be invalid or unenforceable by a court, arbitrator, or other decision-making body of competent jurisdiction, the remainder of this Agreement shall remain valid and enforceable to the greatest extent allowed by such court, arbitrator, or body under law.
5. Successors and Assigns. The obligations and duties in this Agreement may not be assigned or transferred absent written consent of the Parties, unless specifically stated otherwise. This Agreement shall be binding upon the Parties hereto and their respective affiliates, successors and assigns.
6. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, but all of which together shall constitute one and the same instrument.

ITSO RESTRICTED

ATTACHMENT NO.2 TO
IAC-26-7E W/03/26
Page 3

DocuSign Envelope ID: 6F4F4B07-040B-46C3-A351-F330BE76C577

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date set forth above.

**AARON SHOURIE, on behalf of
SES S.A.**

Signed by:
By: Aaron Shourie
1794X1A22E19488

Name: Aaron Shourie
Title: Chief Legal Officer

**RENATA BRAZIL DAVID, on behalf of
International Telecommunications
Satellite Organization**

Signed by:
By: Renata Brazil David
4043E4493524E2

Name: Renata Brazil David
Title: Director General of ITSO