

INMARSAT PLC (THE "COMPANY")

Remuneration Committee: Terms of Reference

(reviewed on 26 February 2018)

1. The Remuneration Committee comprises not less than three independent non-executive directors of the Company, to be selected by the Board. The Board must from time to time review the composition of the Remuneration Committee to ensure that membership of the Remuneration Committee rotates amongst the Company's independent non-executive directors.
2. The chairman of the Remuneration Committee, who shall be an independent non-executive director, shall be appointed by the Board. In the absence of the chairman of the Remuneration Committee, the remaining members present shall elect one of themselves to chair the meeting. The chairman of the board shall not be chairman of the committee.
3. Appointments to the committee shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the Committee.
4. Meetings of the Remuneration Committee are to be held not less than twice a year and otherwise as required. The quorum necessary for the transaction of business is any two of its members.
5. No one, other than a Committee member, shall be entitled to attend meetings of the Remuneration Committee but others may attend by invitation as and when appropriate. Independent directors who are not members of the Committee may attend meetings with the Committee Chairman's prior approval.
6. If any member of the Remuneration Committee is unable to act for any reason, the chairman of the Remuneration Committee may appoint any other independent non-executive director of the Company to act as his/her alternate.
7. No committee member shall participate in any discussion or decision on their own remuneration as this is undertaken by the Inmarsat plc Board.
8. The Company Secretary shall act as the secretary of the Remuneration Committee.
9. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the committee and any other person required to attend, no later than two working days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees, as appropriate, at the same time.

The Remuneration Committee is authorised by the Board:

- 10.1 to investigate remuneration paid to directors of other companies of a similar size in a comparable industry sector across the globe;
- 10.2 to obtain reliable, up-to-date information about remuneration in other companies;
- 10.3 to obtain information on the remuneration of any employee of a Group Company;

- 10.4 to obtain such legal or other independent professional advice, appoint remuneration consultants, and to commission or purchase any reports, surveys or information as it deems necessary, within any budgetary restraints imposed by the board to fulfil its responsibilities;
- 10.5 to be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee;
- 10.6 to obtain the advice and assistance of any of the Company's executives provided their role in providing such advice and assistance is clearly separated from their role within the business.

The duties of the Remuneration Committee are:

11. to determine and agree with the Board on the Company's framework or broad policy for the remuneration of the Company's chairman, chief executive, the executive directors, the company secretary and such other members of the executive management as it is designated to consider. The remuneration of non-executive directors shall be a matter for the chairman and the executive members of the board. No director or manager shall be involved in any decisions as to their own remuneration;
12. in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code and associated guidance. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The remuneration policy should also have regard to the risk appetite of the company and alignment to the company's long-term strategic goals;
13. when setting remuneration policy for directors, review and have regard to the remuneration trends across the company and group;
14. to review the ongoing appropriateness and relevance of the remuneration policy for the executive directors;
15. Within the terms of the agreed policy and in consultation with the chairman and/or chief executive, as appropriate, determine the total individual remuneration packages, including bonuses, incentive payments, share options, pension rights and any compensation payments for each of the executive directors and any executive chairman of the Board, the Company Secretary and other designated senior executives;
16. to approve the design of, and to determine the targets for, any schemes of performance related remuneration, including any annual bonus arrangement for all staff and approve the total annual payments made under such schemes;
17. to review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, and in consultation with the Chairman and/or CEO, such awards for the company secretary and other designated senior executives and the performance targets to be used;

18. to determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives;
19. to consider whether the executive directors should be eligible for annual bonuses and, if so, to consider an upper limit for such bonuses, to approve the annual objectives for the executive directors and to review their performance at financial year end against their objectives to determine if they are eligible to receive an annual bonus;
20. to be informed of any major changes in employee benefits structures throughout the company or group which may include changes in the operation of the company's pension arrangements;
21. to agree the policy for authorising claims for expenses from the directors;
22. to consider whether the executive directors should be eligible for benefits under long-term incentive schemes and to weigh traditional share option schemes against other kinds of long-term incentive scheme;
23. to consider the pension consequences and associated costs to the Company of basic salary increases and other changes in remuneration, especially for executive directors close to retirement;
24. to consider where to position the Company relative to other companies and to be aware what comparable companies are paying, taking account of relative performance and using such comparisons with caution;
25. to be sensitive to the wider scene, including pay and employment conditions elsewhere in the Group, especially when determining annual salary increases to be applied across all employees and those specifically falling within its remit; and to take into account the new reporting requirements for Gender Pay;
26. to consider what compensation commitments (including pension contributions) the executive directors' service agreements, if any, would entail in the event of early termination. Particular consideration should be given to the advantages of providing explicitly in the initial contract for such compensation commitments except in the case of removal for misconduct;
27. in early termination cases where the initial contract does not explicitly provide for compensation commitments, to tailor its approach (within legal constraints) to the circumstances. The aim should be to avoid rewarding poor performance, while dealing fairly with cases where departure is not due to poor performance and to take a robust line on reducing compensation to reflect departing executive director's obligations to mitigate loss;
28. the committee chairman shall report to the board on its proceedings after each meeting on all matters within its duties and responsibilities;
29. the committee shall produce a Directors' Remuneration Report that contains a chairman's statement, the directors' remuneration policy and an annual report on remuneration. Every three years the directors' remuneration policy shall be put to shareholders and shall be approved by a binding vote at the AGM. The annual remuneration report shall be approved by an advisory vote of the shareholders at each AGM;
30. the Remuneration Committee's chairman should attend the Company's annual general meeting to be available to answer shareholders' questions;

31. the secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance. The minutes of meetings must be circulated to all Remuneration Committee members and, once agreed, to all members of the Board, unless a conflict of interest exists;
32. the committee shall arrange for periodic review of its own performance and at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval;
33. the committee shall work and liaise as necessary with all other board committees;
34. in consultation with the chairman of the board, ensure that the company maintains contact as required with its principal shareholders about remuneration;
35. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
36. give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed/non-listed companies and formation and operation of share schemes including but not limited to the provisions of the UK Corporate Governance Code, the requirements of the UK Listing Authority's Listing, the provisions regarding disclosure of information as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the Prospectus and Disclosure and Transparency Rules as well as guidelines published by the Investment Association and ISS and any other applicable rules, as appropriate and be aware additionally of individual shareholder voting guidance; and
37. to consider other matters as referred to the Remuneration Committee by the Board.