UNITED STATES
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): December 17, 2008

Loral Space & Communications Inc.

(Exact name of registrant as specified in its charter)

Delaware	1-14180	87-0748324
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

600 Third Avenue, New York, New York	10016
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (212) 697-1105

Not Applicable

Former name or 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:

[ ] 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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 17, 2008, the Board of Directors (the "Board") of Loral Space & Communications Inc. ("Loral" or the "Company") approved amendments to certain of Loral's existing plans and agreements that provide for nonqualified deferred compensation primarily in order to bring them into documentary compliance with Section 409A of the Internal Revenue Code ("Section 409A") before December 31, 2008 as required by the IRS. The following is a description of the plans as amended.

Amended and Restated Severance Plan for Officers

Loral's severance policies for its employees, including officers, which were originally adopted in June 2006, were amended and restated effective December 17, 2008. The policy applicable to officers, which is subject to overriding terms in any employment agreement, applies to officers of the Company at the Vice President level and above who are designated as eligible by the plan administrator. The policy provides for severance benefits upon the termination of an eligible officer's employment by the Company without cause. Severance benefits will be provided at different levels, depending on the seniority and length of service of the officer when termination occurs.

Cash Severance

An eligible officer with the title of Chief Executive Officer ("CEO"), President, Chief Operating Officer, Chief Financial Officer or Executive Vice President (a "Category I Participant") will be entitled to cash severance payments aggregating to the sum of (x) twelve months' pay (defined as base salary plus average annual incentive bonus compensation paid over the last two years of employment) and (y) twelve months' base salary. The officer will receive an initial lump sum payment within twenty days of termination, not subject to mitigation, equal to the greater of (A) six months' pay and (B) the sum of three months' pay plus two weeks' base salary for every year of service with the Company plus one twelfth of two weeks' base salary for every month of service with the Company in excess of the officer's full years of service with the Company. If the officer is unemployed after six months (or if the officer is employed at a rate of pay that is less than his rate of pay immediately prior to termination), the remainder of his cash severance (the "Remainder") will be paid in biweekly installments over eighteen months beginning on the six-month anniversary of termination, the first thirteen payments, if any, aggregating to the lesser of six months' pay and such Remainder, and the next twenty-six payments, if any, aggregating to the lesser of one year's base salary and the excess of the Remainder over six months' pay. In all events, the Remainder is subject to reduction by any amount of compensation then being received by the officer from other employment (including self-employment).

An eligible officer with the title of Vice President (a "Category II Participant") will be entitled to cash severance payments aggregating to the sum of six months' pay plus two weeks' base salary for every year of service with the Company plus one twelfth of two weeks' base salary for every month of service with the Company in excess of the officer's full years of service with the Company. The officer will receive an initial lump sum payment within twenty days of termination, not subject to mitigation, equal to the sum of three months' pay plus two weeks' base salary for every year of service with the Company plus one twelfth of two weeks' base salary for every month of service with the Company in excess of the officer's full years of service with the Company. If the officer is unemployed after three months (or if the officer is employed at a rate of pay that is less than his rate of pay immediately prior to termination), the Remainder will be paid in biweekly installments over twelve weeks beginning on the three-month anniversary of the termination, subject to reduction by any amount of compensation then being received by the officer from other employment (including self-employment).

Accelerated Vesting of Equity Awards

If a terminated officer has outstanding unvested stock options or other equity or incentive compensation awards that provide for less than 100% vesting upon such a termination, such officer will vest (x) with respect to time-vested awards, in the next full tranche that would have vested on the next vesting date for such awards, and (y) with respect to performance-vested awards, in that portion of such awards that would have vested during the twelve months following such termination based on the actual achievement of the applicable performance thresholds. If such termination occurs within six months following a major corporate transaction, acquisition or divestiture, however, the terminated officer will be entitled to full vesting of his unvested awards, unless the plan administrator determines that such termination is not the result of such corporate transaction, acquisition or divestiture.

Continuing Benefits

A terminated officer will also be entitled to continued participation in the Company's medical, prescription, dental and vision insurance coverage. The officer may elect to participate in the Company's Retiree Medical Plan by electing to receive benefits from the Retirement Plan of Space Systems/Loral, Inc., and such participation shall continue for so long as the officer is covered under other medical insurance coverage (such as COBRA) and has not allowed such coverage to lapse. Alternatively, the officer may elect COBRA continuation coverage, and, during the "severance period," the officer will be obligated to contribute to the premium at the same rate as other corporate employees, and the Company subsidy shall continue until the officer becomes eligible for coverage under another plan. The term "severance period" for purposes of insurance continuation means, for a Category I Participant, twenty-four months, and for a Category II Participant, three calendar months plus the number of full calendar months of pay and/or base salary, and one additional calendar month for any partial calendar month of base salary, constituting the Category II Participant's Remainder, as described above. During the "severance period," the officer will also be entitled to continued Company-provided executive life insurance benefits, to the extent the officer was receiving such benefits prior to his termination.

The Company's named executive officers participate in the severance policy as Category I or Category II Participants, except that Mr. Targoff

is not currently eligible because he currently has an employment agreement with the Company which governs his severance benefits.

The above description of the severance policy is not intended to be complete and is qualified in its entirety by reference to the full text of the policy attached to this report as Exhibit 10.1.

Management Incentive Bonus Program

The Loral Space Management Incentive Bonus Program commits to writing as required by Section 409A Loral's existing bonus program. This program provides for certain eligible employees of Loral's corporate office and subsidiaries, including its named executive officers, the opportunity to earn year-end bonuses based on the Company's fiscal-year performance.

With respect to a given fiscal year, the Compensation Committee of the Board (the "Committee"), with the advice of the CEO, will establish the eligibility criteria, maximum bonus levels for participants and performance targets that will be applicable, if any. All or part of any bonus may be discretionary or based on individual performance.

The level of achievement of the performance targets will be determined following the end of the applicable fiscal year by the Committee and/or the CEO, depending upon the seniority level of the participant. The receipt of a bonus is generally subject to the participant's remaining employed on the scheduled payment date, provided that the preceding rule does not generally apply in the event that a participant is terminated involuntarily without cause after six months of service during the applicable fiscal year. The CEO and the Compensation Committee, however, retain discretion to disqualify any participants, even if the participants satisfy the preceding conditions.

Bonuses will be paid within two and one half months following the end of the applicable fiscal year, generally in a cash lump sum. The Committee or the CEO may, however, in its or his discretion, settle the payment of bonuses in shares of Company common stock pursuant to the Company's 2005 Stock Incentive Plan.

The above description of the Management Incentive Bonus Program is not intended to be complete and is qualified in its entirety by reference to the full text of the policy attached to this report as Exhibit 10.2.

Space Systems/Loral, Inc. Supplemental Executive Retirement Plan

The amended and restated Space Systems/Loral, Inc. Supplemental Executive Retirement Plan (the "Pension SERP"), which was established in 1996, is an "excess benefit plan" to offset certain limitations imposed by the Internal Revenue Code on benefits received under the Company's qualified defined benefit pension plan (the "Qualified DB Plan"). Each of the Company's named executive officers participates in the Pension SERP. The Pension SERP is an unfunded plan.

A participant will vest in his benefit under the Pension SERP immediately upon his death while in active service. Otherwise, a participant vests after completing 10 years of service, or if he was hired at or after age 60, after completing five years of service. Vesting status notwithstanding, a participant will forfeit his right to any benefits under the Pension SERP if, either before or after he begins receiving a benefit, he engages in activity constituting cause, and any payment theretofore made to the participant will be subject to recoupment by the Company.

A participant's benefit payable under the Pension SERP will be an annuity with a present value equal to the benefit that would be payable to him under the Qualified DB Plan irrespective of any limitations under the Internal Revenue Code, reduced by the benefit actually payable under the Qualified DB Plan after application of such limitation. Any post-termination bonus received by a participant under the Company's Management Incentive Bonus Program in respect of a year in which the participant (1) made maximum permitted voluntary contributions under the Qualified DB Plan and (2) was laid off will be taken into account in calculating the benefit payable pursuant to the Pension SERP, if the bonus was not credited as compensation under the Qualified DB Plan. A participant will commence receiving annuity payments on the later of the first day of the calendar month coincident with or immediately following the participant's 55th birthday and the first day of the calendar month that is six months after the date of the participant's separation from service.

Before the annuity starting date, a participant may elect to receive either a single life annuity or a 50% joint and survivor annuity. (The former is the default for unmarried individuals, and the latter is the default for married individuals.)

Certain of the provisions described above are different in the event a participant makes application prior to January 1, 2009, to begin receiving benefits under the Qualified DB Plan. None of the Company's named executive officers has made such an application or is expected to do so prior to such date.

The above description of the Pension SERP is not intended to be complete and is qualified in its entirety by reference to the full text of the policy attached to this report as Exhibit 10.3.

Loral Savings Supplemental Executive Retirement Plan

The amended and restated the Loral Savings Supplemental Executive Retirement Plan (the "Savings SERP"), which was established in 2006, is an "excess benefit plan" to offset certain limitations imposed by the Internal Revenue Code on benefits received under the Company's qualified defined contribution plan (the "Qualified DC Plan"). The Savings SERP is applicable only to certain employees hired or rehired by the Company on or after July 1, 2006 (because such individuals are ineligible to participate in the Pension SERP). None of the Company's named executive officers participates in the Savings SERP; however, an individual who is hired in the future and who becomes a named executive officer may be eligible to participate in the Savings SERP at such time. The Savings SERP is an unfunded plan.

The Savings SERP does not allow for employee contributions; only employer contributions are permitted. A participant in the Savings SERP will accrue a benefit with respect to a given calendar year only if his benefit accrued under the Qualified DC Plan was limited because his base salary exceeded the applicable Internal Revenue Code limits and he made the maximum dollar amount allowed under the Internal Revenue Code with respect to voluntary contributions under the Qualified DC Plan for such year.

For each calendar year, each participant will be eligible to receive in his Savings SERP account a matching contribution and a retirement contribution, each equal to the rate for each such contribution under the Qualified DC Plan, such rate to be applied only to such participant's compensation that exceeds the maximum amount that may be taken into account under the Qualified DC Plan for such year. Participants may make investment elections for the amounts credited to their notional accounts under the Savings SERP. The investment funds offered under the Savings SERP are the same as those offered under the Qualified DC Plan.

A participant will vest in his benefit under the Savings SERP immediately upon his death while in active service. Otherwise, a participant vests after completing 10 years of service, or if he was hired at or after age 60, after completing five years of service. Vesting status notwithstanding, a participant will forfeit his right to any benefits under the Savings SERP if, after he begins receiving a benefit, he engages in activity constituting cause, and any payment theretofore made to the participant will be subject to recoupment by the Company.

A participant's accrued benefit under the Savings SERP is payable in cash in a lump sum within 90 days following the later of the participant's 55th birthday and his separation from service with the Company.

The above description of the Savings SERP is not intended to be complete and is qualified in its entirety by reference to the full text of the policy attached to this report as Exhibit 10.4.

Item 9.01 Financial Statements and Exhibits.

10.1 Loral Space & Communications Inc. Severance Policy for Corporate Officers (Amended and Restated as of December 17, 2008) (Management Compensation Plan)

10.2 Loral Space Management Incentive Bonus Program (Adopted as of December 17, 2008) (Management Compensation Plan)

10.3 Amended and Restated Space Systems/Loral, Inc. Supplemental Executive Retirement Plan (Amended and Restated as of December 17, 2008) (Management Compensation Plan)

10.4 Loral Savings Supplemental Executive Retirement Plan (Amended and Restated as of December 17, 2008) (Management Compensation Plan)

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SIGNATURES

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.

Loral Space & Communications Inc.

December 23, 2008

By: Avi Katz

Name: Avi Katz
Title: Senior Vice President, General Counsel and Secretary

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Exhibit Index

Exhibit No.	Description
10.1	Loral Space & Communications Inc. Severance Policy for Corporate Officers (Amended and Restated as of December 17, 2008) (Management Compensation Plan)
10.2	Loral Space Management Incentive Bonus Program (Adopted as of December 17, 2008) (Management Compensation Plan)
10.3	Amended and Restated Space Systems/Loral, Inc. Supplemental Executive Retirement Plan (Amended and Restated as of December 17, 2008) (Management Compensation Plan)
10.4	Loral Savings Supplemental Executive Retirement Plan (Amended and Restated as of December 17, 2008) (Management Compensation Plan)

Loral Space & Communications Inc. Severance Policy for Corporate Officers

(Amended and Restated as of December 17, 2008)

Plan Document

1. General Information .

(a) The Loral Space & Communications Inc. Severance Policy for Corporate Officers (the "Plan") provides eligible employees of Loral Space & Communications Inc. (the "Company") with severance benefits if they are terminated from employment with the Company or undergo a Separation from Service for the reasons described herein.

(b) Notwithstanding any other provision of the Plan, the Plan supersedes any and all prior plans, policies and practices, written or oral, which may have previously applied governing the payment of severance benefits to "Eligible Employees."

(c) The Plan is adopted and effective as of June 14, 2006, as amended and restated as of December 17, 2008.

2. Eligibility .

(a) You are an "Eligible Employee" for purposes of this Plan if (1) you are the Chief Executive Officer of the Company (the "CEO") or (2) (A) you are a regular, full-time employee of the Company who is the President, the Chief Operating Officer, the Chief Financial Officer, an Executive Vice President or a Vice President, (B) your primary place of employment is the Company's corporate headquarters located in New York, NY, or such other place designated by the Plan Administrator, (C) you have been employed by the Company for at least six months and (D) you have been designated by the Plan Administrator to be an Eligible Employee and have not thereafter been disqualified by the Plan Administrator; provided , however , that if the terms and conditions of your employment are covered by a collective bargaining agreement (unless such agreement provides for participation in the Plan) or you have entered into a written agreement with the Company, or received an offer letter from the Company, that provides for benefits upon termination of employment, and such agreement or offer letter has not expired or lapsed, you shall not be considered an "Eligible Employee" and shall not be eligible to participate in this Plan. No individual other than the CEO shall be eligible to participate in the Plan as an Eligible Employee unless and until such individual meets all of the requirements of sub-clauses (A), (B), (C) and (D) of clause (2) above. Except as specifically prohibited under Section 6 herein, any Eligible Employee other than the CEO may be disqualified by the Plan Administrator at any time for any reason. At any time upon your becoming an Eligible Employee or subsequently becoming disqualified hereunder, the Plan Administrator shall provide you with written notice of your status as such.

(b) You are a "Participant" for purposes of this Plan if you are an Eligible Employee whose employment with the Company and all Affiliates is terminated by the Company or an Affiliate without Cause (a "Qualifying Termination"); provided , however , that none of the following shall be deemed a Qualifying Termination and you will not be entitled to severance benefits if:

(1) Your employment is terminated for Cause;

(2) You voluntarily resign from employment or

(3) You cease to be an Eligible Employee due to death, disability or retirement.

For purposes of this Plan, a Category I Employee who becomes a Participant pursuant to this Section 2(b) shall be referred to as a Category I Participant, and a Category II Employee who becomes a Participant pursuant to this Section 2(b) shall be referred to as a Category II Participant.

(c) Notwithstanding anything in the Plan to the contrary, no Participant will be eligible to receive any

severance benefit or Payment (as defined below) under the Plan unless, and all severance benefits and Payments hereunder shall be delayed until, the Participant executes and delivers to the Company a general release of all claims against the Company and its subsidiaries and Affiliates that contains all of the provisions set forth in Exhibit A hereto and is otherwise satisfactory to the Company, and all applicable revocation periods described in such release have expired without such Participant's having revoked all or a portion of such release. If a Participant fails to execute such release on or prior to the Release Expiration Date or timely revokes his acceptance of such release thereafter, the Participant shall not be entitled to any severance benefits or Payments hereunder. Notwithstanding anything herein to the contrary, in any case where the date of termination and the Release Expiration Date fall in two separate taxable years, all Payments or benefits required to be made to a Participant that are treated as deferred compensation for purposes of Section 409A shall be delayed until the later taxable year, and in all cases a Participant shall receive in a lump sum on the date such release of claims becomes effective all severance benefits and Payments, if any, that, pursuant to the applicable payment schedule herein would have been paid prior to such date but for this Section 2(c). For purposes of this Section 2(c), the term "Release Expiration Date" means the date that is twenty-one (21) days following the date upon which the Company timely delivers the release contemplated above, or in the event that such termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967), the date that is forty-five (45) days following such delivery date; provided , however , that in no event shall the Company deliver the release to a Participant later than January 15 following the year of such Qualifying Termination.

3. Severance Benefits .

(a) Severance Benefit Amounts .

(1) Lump Sum Payment . Subject to Section 2(c) above and Section 3(d) below, in the event an Eligible Employee becomes a Participant pursuant to Section 2(b), such Participant shall receive a lump sum payment, not subject to Mitigation (the "Initial Payment"), within twenty days following such Participant's Qualifying Termination, equal to either (x) in the case of a Category I Participant, the greater of (A) six calendar months' Pay (i.e., 50% of Pay) (the "Six-Months'-Pay Amount") and (B) the sum of (i) three calendar months' Pay (i.e., 25% of Pay) *plus* (ii) two weeks' Base Salary for every Year of Service *plus* (iii) one twelfth ($1/12^{th}$) of two weeks' Base Salary for every Month of Service in excess of such Participant's Years of Service (the "Three-Plus-Two Amount"), or (y) in the case of a Category II Participant, the Three-Plus-Two Amount. Subject to Section 2(c) above and Section 3(d) below, to the extent that such Participant's option agreements or other equity award agreements or incentive compensation agreements with the Company provide for less than 100% vesting upon such Qualifying Termination, such Participant shall be entitled to accelerated vesting of such Participant's unvested options and other equity awards and incentive compensation awards upon such Qualifying Termination of (i) with respect to time-vested awards, the next full tranche that would have vested on the next vesting date under such agreements following such Qualifying Termination, and (ii) with respect to awards scheduled to vest upon the occurrence of achieving certain performance or stock-price thresholds, that portion of such awards that would have vested during the twelve (12) months following such Qualifying Termination based on the actual achievement of such thresholds; provided , however , that if such Participant's Qualifying Termination occurs within six calendar months following a Corporate Event, such Participant shall be entitled upon such Qualifying Termination to accelerated vesting of all outstanding unvested options and other equity awards and incentive compensation awards, unless the Plan Administrator determines, in his or its sole discretion, that such Qualifying Termination is for a reason other than that such Participant's position with the Company is no longer necessary or is redundant as a result of such Corporate Event.

(2) Installment Payments . Subject to Section 2(c) above and Section 3(d) below, in addition to the Initial Payment, a Participant shall be entitled to an additional severance benefit (the "Additional Severance"). The following table sets forth, with respect to each category of Participant, (x) the aggregate amount of the Additional Severance (which, notwithstanding anything in the table below to the contrary, shall in no event be less than zero) and (y) the maximum number of the Company's regular biweekly pay periods during which the Additional Severance shall be payable (the "Installment Period").

Category of Participant	Category I Participants	Category II Participants

Aggregate Amount of Additional Severance	Either (x) to the extent the Initial Payment equals the Six-Months'-Pay Amount, an amount equal to the Six-Months'-Pay Amount *plus* one year's Base Salary, or (y) to the extent the Initial Payment equals the Three-Plus-Two Amount, an amount equal to the Six-Months'-Pay Amount *plus* one year's Base Salary *minus* the excess of the Three-Plus-Two Amount over the Six-Months'-Pay Amount	Three calendar months' Pay (i.e., 25% of Pay)
Installment Period	39 biweekly pay periods	6 biweekly pay periods

The Additional Severance shall be payable, subject to the schedule set forth below in this Section 3(a)(2), in a series of consecutive biweekly installments (each such installment deemed a separate Payment pursuant to Section 3(i) below). With respect to Category I Participants, the first 13 Payments of the Additional Severance, if any, shall be payable in substantially equal biweekly installments aggregating to the lesser of (x) the Six-Months'-Pay Amount and (y) the aggregate amount of the Additional Severance, and the next 26 Payments of the Additional Severance, if any, shall be payable in substantially equal biweekly installments aggregating to the lesser of (i) one year's Base Salary and (ii) the excess of the aggregate amount of the Additional Severance over the Six-Months'-Pay Amount. With respect to Category II Participants, the Additional Severance shall be payable in substantially equal biweekly installments during the Installment Period.

The intent of this payment schedule is to classify the greatest possible portion of the Additional Severance allowable under law as exempt from the requirements of Section 409A and to provide for a payment schedule that is compliant with Section 409A with respect to Payments that cannot be made exempt from the provisions thereof. As such, Payments that qualify as Exempt STD Payments, if any, shall be made first, followed by Payments that qualify as Exempt Safe Harbor Payments, if any, followed by 409A Payments, if any.

Exempt STD Payments . The Payments constituting the Additional Severance shall commence on the first biweekly payroll date following either (x) in the case of a Category I Participant, the six-calendar-month anniversary of such Participant's Qualifying Termination, or (y) in the case of a Category II Participant, the three-calendar-month anniversary of such Participant's Qualifying Termination, and shall end on the earlier of (i) the date on which the entire Additional Severance has been paid to the Participant and (ii) the last biweekly payroll date that is prior to or concurrent with March 15 th of the calendar year following the calendar year in which such Qualifying Termination occurred. Such Payments shall be deemed Exempt STD Payments as defined in Section 3(j)(1) below. For purposes of clarification, no Payments of Additional Severance shall be either deemed Exempt STD Payments or paid pursuant to this paragraph in the event such Qualifying Termination occurs on or after the date such that pursuant to the payment schedule above the first Payment of the Additional Severance would be made to the Participant after March 15 th of the calendar year following the calendar year in which the Qualifying Termination occurred.

Exempt Safe Harbor Payments . In the event any Payments constituting Additional Severance remain unpaid after payment of the Exempt STD Payments above (or if no Payments may be classified as Exempt STD Payments), and provided such Participant has undergone an Involuntary Separation from Service, such unpaid Payments shall commence on the first biweekly payroll date following the latest of (i) March 15 th of the calendar year following the calendar year in which the Qualifying Termination occurred, (ii) the date of such Participant's Involuntary Separation from

Service and (iii) (1) in the case of a Category I Participant, the six-calendar-month anniversary of such Participant's Qualifying Termination, or (2) in the case of a Category II Participant, the three-calendar-month anniversary of such Participant's Qualifying Termination; and shall cease on the earliest of (x) the date on which the entire Additional Severance has been paid to the Participant, (y) the last biweekly payroll date that is prior to or concurrent with the last day of the second calendar year following the calendar year in which such Involuntary Separation from Service occurred and (z) the date on which the aggregate value of the Additional Severance theretofore paid to the Participant (less the value of the Exempt STD Payments, if any) equals two times the lesser of (A) such Participant's annualized compensation based upon the annual rate of pay for services provided to the Company for the calendar year prior to the calendar year in which such Participant undergoes such Involuntary Separation from Service and (B) the maximum amount that may be taken into account under Section 401(a)(17) of the Code with respect to a plan qualified pursuant to Section 401(a) of the Code for the calendar year in which such Participant undergoes such Involuntary Separation from Service. Such Payments shall be deemed Exempt Safe Harbor Payments as defined in Section 3(j)(2) below. For purposes of clarification, no Payments may be deemed Exempt Safe Harbor Payments or paid pursuant to this paragraph unless and until the Participant has undergone an Involuntary Separation from Service.

409A Payments . In the event any Payments constituting Additional Severance remain unpaid after payment of all Payments that may be classified as Exempt Payments (or if no Payments may be classified as Exempt Payments), and the Participant has undergone a Separation from Service, such unpaid Payments shall commence on the first biweekly payroll date following either (i) the date on which the last Exempt Safe Harbor Payment was paid to the Participant, or (ii) if no Payments may be deemed Exempt Safe Harbor Payments, the latest of (1) March 15 th of the calendar year following the calendar year in which the Qualifying Termination occurred, (2) the date of such Participant's Separation from Service and (3) (x) in the case of a Category I Participant, the six-calendar-month anniversary of such Participant's Qualifying Termination, or (y) in the case of a Category II Participant, the three-calendar-month anniversary of such Participant's Qualifying Termination; subject in all cases to possible delay as set forth in Section 3(k) below.

The Additional Severance shall be subject to Mitigation (as defined in Section 4 below).

(b) Continued Medical Insurance Coverage . In addition to the cash severance provided in Section 3(a) of the Plan, subject to Section 2(c) above and Section 3(d) below, each Participant shall be entitled to continued participation in the Company's medical, prescription, dental and vision insurance coverage following the Participant's Qualifying Termination through one of the following two alternatives:

(1) A Participant may elect to participate in the Loral Retiree Medical Plan if such Participant elects to begin receiving benefits from the Retirement Plan of Space Systems/Loral, Inc. (the "SS/L Retirement Plan"). The Participant shall remain eligible to participate in the Loral Retiree Medical Plan for so long as the Participant is covered under other medical insurance coverage (e.g., COBRA continuation or coverage provided by other employment) and has not allowed such medical coverage to lapse at any time. The Participant shall make contributions toward the cost of such Participant's medical insurance in accordance with the Loral Retiree Medical Plan. The Participant's contributions will be deducted from the Participant's monthly retirement benefit payment from the SS/L Retirement Plan.

(2) The Participant may elect COBRA continuation coverage of medical, prescription, dental and vision insurance. During the Severance Period, the Participant's COBRA insurance premiums will be subsidized by the Company as follows: The Participant shall contribute to the premium at the same rate at which corporate employees of the Company contribute to the Company's medical, prescription, dental and vision insurance programs during the relevant period, and the Company shall pay the remainder of the premium; provided , however , if during the Severance Period the Participant obtains employment that offers medical, prescription, dental or vision insurance coverage, the Company's subsidy with respect to such coverage shall end on the earlier of (x) the date the Participant becomes an active participant under the new coverage if the Participant elects to be covered thereunder and (y) the date the Participant declines the new coverage. To the extent that the Participant declines any such new coverage, the Participant may elect to continue COBRA coverage but

will be responsible for the full COBRA premium (102% of total cost). After the Severance Period, the Participant may elect to continue COBRA coverage at the full premium (102% of total cost) for the remainder of the COBRA continuation period (generally 18 months from the date of termination). For purposes of Section 3(b) and (c), the term "Severance Period" means the period commencing on an Eligible Employee's Qualifying Termination and continuing for either (i) for a Category I Participant, twenty-four calendar months, or (ii) for a Category II Participant, (x) three calendar months *plus* (y) the number of full calendar months of Pay and/or Base Salary *plus* (z) one additional calendar month for any partial calendar month of Base Salary, in each case of (y) and (z) as covered by Section 3(a)(2) herein with respect to calculating a Category II Participant's Additional Severance. Any such participation in the Company's medical, prescription, dental, and vision insurance coverage following a Participant's termination of employment shall be subject to all changes to the Company's medical, prescription, dental and vision insurance program following the Participant's termination of employment, including, but not limited to, any increases in the employee premium amounts payable by the employees and the Participant.

If a Participant elects option (1) above, such Participant's participation, if any, in the Medical Executive Reimbursement Program ("MERP") shall end on the last day of the calendar year in which such Participant's Qualifying Termination occurs; if a Participant elects option (2) above and such Participant participated in the MERP immediately prior to such Participant's Qualifying Termination, such Participant shall continue to participate in the MERP, at no cost, through the end of the year in which the Severance Period ends.

With respect to either alternative (1) or (2) above, the Participant must submit or arrange for the submission of all reimbursement requests no later than 180 days following the date such expenses are incurred, and the Company shall arrange for reimbursement of all such allowable expenses no later than the end of the Participant's taxable year following the taxable year in which such expenses are incurred.

(c) Continued Executive Life Insurance Coverage . In addition to the cash severance provided in Section 3(a) of the Plan and the continued medical coverage provided in Section 3(b) of the Plan, subject to Section 2(c) above and Section 3(d) below, to the extent the Company provided executive life insurance benefits to any Participant immediately prior to such Participant's Qualifying Termination, such Participant shall be entitled following a Qualifying Termination that is a Separation from Service to continued participation in the executive life insurance benefits provided to such Participant immediately prior to such Participant's Qualifying Termination. Such benefits shall commence on the date of such Participant's Separation from Service and shall continue through the end of the Participant's Severance Period (such period of continued executive life insurance is referred to hereafter as the "Continued Insurance Coverage Period"). As such, each year during the Continued Insurance Coverage Period, the Company shall pay to the insurance company or companies pursuant to which such Participant was insured while employed in accordance with the terms of such policy or policies covering such Participant, the annual premium(s) due on the individual executive life insurance policy or policies. Such payment(s) shall be made on the date or dates during each such year on which such premiums are due; provided , however , if during the Continued Insurance Coverage Period the Participant obtains Employment that offers comparable executive life insurance benefits, the Company's obligation to make premium payments hereunder shall end on the date such Participant becomes eligible for such comparable executive life insurance benefits. Each Participant shall be responsible for payment of all applicable payroll taxes with respect to such premiums paid by the Company.

(d) Discretionary Severance Option . Notwithstanding anything in this Section 3 to the contrary, in the event any Eligible Employee becomes a Participant pursuant to Section 2(b), the Plan Administrator, in his or its sole discretion, may offer such Participant an alternative severance benefit in lieu of the severance benefit set forth in Section 3(a), (b) and (c) above, unless such alternative severance benefit would be deemed a "substitute for a payment of deferred compensation" within the meaning of Treasury Regulation Section 409A-3(f) that otherwise violates Section 409A. In the event the Plan Administrator offers a Participant such an alternative severance benefit pursuant to this Section 3(d), the Participant will have a choice between the severance benefits set forth in Section 3(a), (b) and (c) and the alternative severance benefit offered under this Section 3(d).

(e) Taxes on Severance Pay . The severance benefits pursuant to this Section 3, including without limitation, with respect to Participants who are "highly compensated individuals" for purposes of Section 105 of the Code, the Company's subsidy of a Participant's medical, prescription, dental and vision insurance premiums pursuant to Section 3(b), are considered taxable income. Except as otherwise provided herein, all appropriate federal, state and

local taxes will be withheld from all severance benefits.

(f) Severance Benefit Offsets . Notwithstanding anything herein to the contrary, the amount of the severance benefit that any Participant is entitled to receive under the Plan shall be the amount calculated in accordance with this Section 3 of the Plan, less all amounts, if any, that such Participant is entitled to receive as a result of the circumstances of his or her termination under the Federal Worker Adjustment and Retraining Notification Act (Pub. L. 100-379) and other similar federal, state or local statutes. Each Participant shall be obligated to cooperate with and respond to the Company's requests for documentation, at any time such Participant is subject to Mitigation, relating to any Compensation then earned by such Participant. During the Installment Period, each Participant shall report to the Company in writing the amount of any Compensation earned by, owed to or promised to such Participant on account of such Participant's Employment, if any. Each Participant subject to Mitigation shall submit to the Company a Mitigation Certification in the form attached hereto as Exhibit B upon commencement of the Installment Period, every three months thereafter and in any event, promptly upon becoming engaged in Employment.

(g) Forfeiture of Severance Benefits . All rights of a Participant to receive further severance benefits will be forfeited if the Plan Administrator determines, in his or its sole discretion, after the commencement of severance benefits hereunder to such Participant that (1) the Company had Cause to terminate such Participant's employment with the Company prior to actual termination, (2) such Participant has failed to cooperate or respond to the Company's request for documentation relating to Compensation earned by such Participant, as required by Section 3(f), or has falsely responded with respect thereto or (3) following termination of employment, such Participant acts in a manner detrimental to the best interests of the Company in any material respect.

(h) Continuation of Benefits in the Event of Death . In the event a Participant dies after termination of employment with the Company but prior to receipt of his or her entire severance benefit, the remaining Payments owing to the Participant shall be paid in a lump sum to the Participant's estate, and the continued medical, prescription, dental and vision insurance coverage pursuant to Section 3(b) herein shall cease.

(i) Lump Sum and Installment Payments Deemed Separate Payments . Each lump sum payment to a Participant pursuant to Section 3(a)(1) herein shall be deemed a separately identified amount within the meaning of Treasury Regulation Section 1.409A-2(b)(2)(i) and by virtue of Treasury Regulation Section 1.409A-2(b)(2)(iii) shall be a separate payment hereunder (each, a "Lump Sum Payment"). In addition, each separate biweekly installment payment provided pursuant to Section 3(a)(2) herein shall be deemed a separately identified amount within the meaning of Treasury Regulation Section 1.409A-2(b)(2)(i) and by virtue of Treasury Regulation Section 1.409A-2(b)(2)(iii) shall be a separate payment hereunder (each, an "Installment Payment") (each Lump Sum Payment and each Installment Payment, a "Payment").

(j) Certain Payments Exempt from Section 409A .

(1) Short Term Deferral . Each Payment made to a Participant shall be exempt from Section 409A by virtue of Treasury Regulation Section 1.409A-1(b)(4) (the short-term deferral exemption) to the extent that, pursuant to the terms of the applicable payment schedule hereunder for such Payment, such Payment must be made on or prior to March 15 th of the calendar year immediately following the year in which such Participant undergoes a Qualifying Termination. The Payments that are exempt from Section 409A pursuant to this Section 3(j)(1) shall be referred to herein as "Exempt STD Payments."

(2) Separation Pay Safe Harbor . Each Payment made to a Participant shall be exempt from Section 409A by virtue of Treasury Regulation Section 1.409A-1(b)(9)(iii) (the separation pay plan exemption) to the extent that, pursuant to the terms of the applicable payment schedule hereunder for such Payment, such Payment (A) must be made to a Participant (x) after an Involuntary Separation from Service, (y) following March 15 th of the calendar year immediately following the calendar year in which such Participant undergoes a Qualifying Termination and (z) prior to the last day of the second calendar year following the calendar year in which such Involuntary Separation from Service occurs, and (B) is, when added together with all other Payments theretofore paid to such Participant that satisfy the requirements of clause (A) above, no greater than two times the lesser of (i) such Participant's annualized compensation based upon the annual rate of pay for services provided to the Company for the calendar year prior to the calendar year in which such

Participant undergoes such Involuntary Separation from Service and (ii) the maximum amount that may be taken into account under Section 401(a)(17) of the Code with respect to a plan qualified pursuant to Section 401(a) of the Code for the year in which such Participant undergoes such Involuntary Separation from Service. The Payments that are exempt from Section 409A pursuant to this Section 3(j)(2) shall be referred to herein as "Exempt Safe Harbor Payments."

(3) Exempt STD Payments and Exempt Safe Harbor Payments shall be referred to herein collectively as "Exempt Payments," and the Payments that are not Exempt Payments shall be referred to herein as "409A Payments."

(k) Delay of Payment for Specified Employees . Notwithstanding anything herein to the contrary, in the event that a Participant is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date such Participant undergoes a Separation from Service, any 409A Payment otherwise required to be made to the Participant hereunder shall be delayed for such period of time as may be necessary to meet the requirements of Section 409A(a)(2)(B)(i) of the Code (the "Delay Period"). On the first business day following the expiration of the Delay Period, the Participant shall be paid, in a single cash lump sum, an amount equal to the aggregate amount of all 409A Payments delayed pursuant to the preceding sentence, and any remaining 409A Payments not so delayed shall continue to be paid pursuant to the payment schedule set forth herein.

4. Definitions . For purposes of the Plan, the following definitions shall apply:

(a) "Affiliate" shall mean each entity, other than the Company, with whom the Company would be considered a single employer as provided in Treasury Regulation Section 1.409A-1(h)(3).

(b) "Base Salary" with respect to any Participant, means such Participant's annual base salary in effect immediately prior to such Participant's termination of employment with the Company.

(c) "Category I Employee" shall mean an Eligible Employee who is the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer or an Executive Vice President of the Company.

(d) "Category II Employee" shall mean an Eligible Employee with the title of Vice President who is not a Category I Employee.

(e) "Cause" shall have the meaning set forth in the Company's 2005 Stock Incentive Plan or any successor thereto. The determination of whether any conduct, action or failure to act on the part of any Eligible Employee constitutes Cause shall be made by the Plan Administrator in his or its sole discretion.

(f) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(g) "Compensation" means compensation income derived from rendering services, other than Equity-Based Compensation.

(h) "Corporate Event" means (i) a Change in Control (as defined in the Company's 2005 Stock Incentive Plan), (ii) a New Skynet Sale Event (as defined in the Company's 2005 Stock Incentive Plan), (iii) a New SS/L Sale Event (as defined in the Company's 2005 Stock Incentive Plan), (iv) the merger, consolidation or other business combination of the Company, Loral Holdings Corporation ("Holdings") or Space Systems/Loral, Inc. ("SS/L"), or any of their subsidiaries, with another entity or (v) the acquisition by the Company, Holdings or SS/L, or any of their subsidiaries of all or substantially all of the stock or assets of another entity.

(i) "Employment" means the state of being an employee, consultant, sole proprietor or director, or having any other position (including self-employment) with or for any person or entity other than the Company or a subsidiary of the Company, through which a Participant receives or is or becomes entitled to receive Compensation.

(j) "Equity-Based Compensation" means equity-based compensation income derived from rendering services, including, but not limited to, stock options, stock appreciation rights, restricted stock, restricted stock units, phantom

stock awards and other equity-based awards, provided such Equity-Based Compensation is granted in the ordinary course of business and not in lieu of any salary, bonus or other compensation or for the purpose of avoiding or circumventing Mitigation.

(k) "Involuntary Separation from Service" shall mean a Separation from Service due to the independent exercise of the unilateral authority of the Company or an Affiliate to terminate an individual's services, other than due to the individual's implicit or explicit request, where the individual was willing and able to continue performing services.

(l) "Mitigation" means the reduction, on a prospective basis, of any installment severance benefits to which a Participant is entitled pursuant to Section 3 herein (including a reduction to but not below $0) by an amount equal to the Compensation then being received by such Participant or owed or promised to such Participant from any Employment other than Employment with the Company or an Affiliate for services rendered during the Installment Period.

(m) "Month" shall mean a period of 30 days.

(n) "Months of Service" shall mean a Participant's completed full Months of full-time employment with the Company measured from the most recent anniversary of his/her date of hire by the Company. For purposes of this definition, a Participant will receive credit for an additional full Month of Service in excess of the number of full Months (of 30 days each) of full-time employment with the Company to the extent he or she has at least an additional 16 days of full-time employment with the Company.

(o) "Pay" with respect to any Participant means the sum of (x) the Participant's Base Salary *plus* (y) the average of the annual incentive bonus compensation paid to the Participant in the twenty-four calendar months immediately prior to such Participant's termination of employment with the Company.

(p) "Prior Employment" for any Participant shall mean full-time employment with the Company prior to one or more breaks in service for such Participant.

(q) "Section 409A" means Section 409A of the Code.

(r) "Separation from Service" with respect to any Eligible Employee shall mean the termination of such Eligible Employee's employment from the Company and all Affiliates that qualifies as a "separation from service" as provided in Treasury Regulation Section 1.409A-1(h); provided , however , that a Participant shall be deemed to have undergone a "termination of employment" within the meaning of Treasury Regulation Section 1.409A-1(h)(1)(ii) with the Company and all Affiliates when the Participant's level of services to the Company and all Affiliates is permanently reduced to less than 50% of the level of services provided to the Company and all Affiliates in the immediately preceding thirty-six (36) months.

(s) "Year" shall mean a period consisting of 365 consecutive days (or 366 consecutive days including February 29 of a leap year) (for example, an employee who is hired on September 7 and remains employed until the following September 6 shall receive credit for a Year, regardless of whether such service spans February 29 of a leap year).

(t) "Years of Service" shall mean a Participant's completed Years of full-time employment with the Company measured from his/her date of hire by the Company.

5. Administrative Information .

(a) Plan Name . The full name of the Plan is the Loral Space & Communications Inc. Severance Policy for Corporate Officers.

(b) Plan's Sponsor . The Plan is sponsored by Loral Space & Communications Inc., 600 Third Avenue, New York, NY 10016, (212) 697-1105.

(c) Employer Identification Number . The employer identification number (EIN) assigned to the Plan Sponsor by the Internal Revenue Service is 87-0748324.

(d) Type of Plan and Funding . The Plan is a severance plan for the benefit of employees of the Company who are members of a select group of management or highly compensated employees. The benefits provided under the Plan are paid from the Company's general assets. No fund has been established for the payment of Plan benefits. No contributions are required under the Plan.

(e) Plan Administrator .

(1) The Plan shall be administered by the CEO, provided , that, with respect to the CEO, the Plan shall be administered by Compensation Committee (the "Compensation Committee") of the Board of Directors of the Company (the "Board"). The term "Plan Administrator" shall refer to the CEO or the Compensation Committee, as applicable.

(2) The Plan Administrator has full responsibility for the operation of the Plan. No supervisor or other officers of the Company are authorized to interpret provisions of the Plan or make representations that are contrary to the provisions of the Plan document as interpreted by the Plan Administrator. All correspondence and requests for information should be directed as follows: Loral Space & Communications Inc., Plan Administrator, Loral Space & Communications Inc. Severance Policy for Corporate Officers, 600 Third Avenue, New York, NY 10016, (212) 697-1105.

(3) Subject to the express provisions of this Plan, the Plan Administrator shall have sole authority to interpret the Plan (including any vague or ambiguous provisions) and to make all other determinations deemed necessary or advisable for the administration of the Plan; provided , however that the Plan Administrator shall have absolute discretion to determine whether, and the extent to which, a Participant's Prior Employment shall be considered in determining such Participant's Years of Service or Months of Service, and such determination may be different for different Participants under similar or different circumstances. All determinations and interpretations of the Plan Administrator shall be final, binding, and conclusive as to all persons.

(f) Agent for Service of Process . Should it ever be necessary, legal process may be served on the Plan Administrator at: Loral Space & Communications Inc., 600 Third Avenue, New York, NY 10016, Attn: General Counsel.

(g) Type of Administration . The Plan is administered by Loral Space & Communications Inc.

(h) Plan Year . January 1 — December 31.

6. Plan Amendment or Termination . The Company reserves the right, in its sole and absolute discretion to amend or terminate, in whole or in part, any or all of the provisions of the Plan, including an amendment that reduces or eliminates the benefits hereunder, by action of the Board (or a duly authorized committee thereof) at any time; provided , however , that, following a Change in Control of the Company, as defined in the Company's 2005 Stock Incentive Plan, no termination or amendment of the Plan that negatively affects the rights or benefits of any Eligible Employee or Participant hereunder shall be effective as to such Eligible Employee or Participant and no Eligible Employee may be disqualified, in either case, without such Eligible Employee's or Participant's consent thereto; and further provided , however , that no termination or amendment of the Plan that negatively affects the rights or benefits of any Participant hereunder shall be effective as to such Participant who has undergone a Qualifying Termination prior to the date of the amendment or termination of the Plan without such Participant's consent thereto.

7. Other Important Plan Information .

(a) Employment Rights Not Implied . Participation in the Plan does not give any Eligible Employee the right to be retained in the employ of the Company, nor does it guarantee any right to claim any benefit except as outlined in the Plan.

(b) Governing Law . This Plan shall be construed and interpreted in accordance with the Employee Retirement Income Security Act of 1974 ("ERISA"), to the extent applicable, and the laws of the State of New York, without regard to the principles of conflicts of law thereof.

(c) No Liability . No director, officer, agent or employee of the Company shall be personally liable in the event the Company is unable to make any payments under the Plan due to a lack of, or inability to access, funding or financing, legal prohibition (including statutory or judicial limitations) or failure to obtain any required consent. In addition, neither the Plan Administrator, the Company, any Affiliate of the Company nor any director, officer, agent or employee of the Company or any Affiliate shall be personally liable by reason of any action taken with respect to the Plan for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless each director, officer, agent and employee of the Company, including the Plan Administrator, to whom any duty or power relating to the administration or interpretation of the Plan may be allocated or delegated, against any reasonable cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud, bad faith or gross negligence.

(d) Section 409A Compliance . All Payments and benefits hereunder are intended to comply with or be exempt from the provisions of Section 409A. To the extent that there are any ambiguities in this document, they shall be interpreted and administered consistent with such intent. Notwithstanding the immediately prior sentence, (i) if any term or provision of this Plan intended to cause a Payment or benefit hereunder to be compliant with Section 409A is found to cause such Payment or benefit to be noncompliant therewith or (ii) if any term or provision of this Plan intended to cause a Payment or benefit hereunder to be exempt from Section 409A is found to cause such Payment or benefit to be subject thereto, in each case, in any jurisdiction, such provision shall be struck as void *ab initio* , and a compliant or exempt term or provision, as applicable, shall be deemed substituted for such noncompliant or nonexempt provision, as applicable, that preserves, to the maximum lawful extent, the intent of the Plan, and any court or arbitrator so holding shall have authority and shall be instructed to substitute such compliant or exempt provision; provided , however , that if any such noncompliance or nonexemption, as applicable, is due to a deficiency of one or more terms or provisions, such appropriate terms or provisions shall be deemed to be added to cure such noncompliance or nonexemption, as applicable, that preserves, to the maximum lawful extent, the intent of the Plan, and any such court or arbitrator shall have authority and shall be instructed to supplement the Plan with such compliant or exempt terms or provisions, as applicable. If, due to the payment schedule herein with respect to any amount payable pursuant hereto, the payment of or entitlement to such amount would cause a Participant to incur any additional tax or interest under Section 409A, the Company may, after consulting with such Participant, reform such applicable payment schedule, with respect to such Participant only, to the extent necessary to comply with Section 409A, but only if, after consultation, such payment schedule can be reformed to so comply; provided , however , that in no event shall the Company be obligated to reform any payment schedule herein in a manner that would result in an increased cost to the Company, and any such reformation shall preserve, to the maximum extent practicable, the economic benefit to such Participant of the applicable amount without violating the provisions of Section 409A. Nothing herein, and no act taken or not taken by the Company in consultation with a Participant is intended to guarantee compliance with Section 409A. Neither the Plan Administrator, the Company, any Affiliate of the Company nor any employee, officer or director of the Company or any Affiliate shall be liable to any Participant for any additional taxes or other penalties incurred or suffered by such Participant due to the Plan's failure to comply with Section 409A.

8. Claims Appeal Procedure .

The following information is intended to comply with the requirements of the ERISA and provides the procedures an Eligible Employee may follow if he or she disagrees with any decision about eligibility for Plan payments. The determination by the Plan Administrator as to whether any person is an Eligible Employee is final and binding and is not subject to review.

(a) An Eligible Employee will be informed as to whether or not he/she will be a Participant under the Plan, and thereby entitled to benefits under the Plan, on or before the last day worked. Eligible Employees who believe they are entitled to benefits under the Plan and do not receive notice of their status as a Participant, or who have questions about the amounts they receive, must write to the Plan Administrator within thirty (30) days of the date of their respective termination.

(b) If the Plan Administrator denies an Eligible Employee's claim for benefits under the Plan, the Eligible Employee will be sent a letter within ninety (90) days (in special cases, more than 90 days may be needed and he or she will be notified if this is the case) explaining:

(1) the specific reason or reasons for the denial;

(2) the specific provisions on which the denial is based;

(3) any additional material or information necessary for the Participant to perfect the claim and an explanation of why such material or information is necessary and

(4) an explanation of the Plan's claim review procedure.

(c) If payment is denied or the Eligible Employee disagrees with the amount of the payment, he or she may file a written request for review within sixty (60) days after receipt of such denial. This request should be filed with the Plan Administrator. The letter which constitutes the filing of an appeal should ask for a review and include the reasons why the Eligible Employee believes the claim was improperly denied, as well as any other appropriate data, questions or comments. In addition, an Eligible Employee is entitled to:

(1) review documents pertinent to his or her claim at such reasonable time and location as shall be mutually agreeable to the Eligible Employee and the Plan Administrator; and

(2) submit issues and comments in writing to the Plan Administrator relating to his or its review of the claim.

(d) A final decision will normally be reached within sixty (60) days, unless special circumstances require an extension of time for processing, in which case a decision will be rendered as soon as possible. The Eligible Employee will receive a written notice of the decision on the appeal, indicating the specific reasons for the decision as well as specific references to the Plan provisions on which the decision is based.

9. The Plan Supersedes All Prior Severance Arrangements . Except as expressly provided in a written employment or other agreement or written offer letter between the Company and an individual, the Plan and the Loral Space & Communications Inc. Severance Policy for Corporate Office Employees (the "Severance Policies") represent the only policies, plans, arrangements and practices providing severance benefits upon termination of employment, and the Severance Policies supersede all prior written or oral policies, plans, arrangements and practices providing severance benefits upon termination of employment.

Exhibit A

[Form of General Release]

1. Opportunity for Review and Revocation . You have twenty-one (21) days to review and consider this release (this "Release"). Notwithstanding anything contained herein to the contrary, this Release will not become effective or enforceable for a period of seven (7) calendar days following the date of its execution, during which time you may revoke your acceptance of this Release by notifying Avi Katz, in writing. To be effective, such revocation must be received by the Company no later than 5:00 p.m. local time on the seventh calendar day following its execution. Provided that the Release is executed and you do not revoke it, the eighth (8 th) day following the date on which this Release is executed shall be its effective date (the "Effective Date"). In the event of your revocation of this Release pursuant to this Section 1, this Release will be null and void and of no effect, and the Company will have no further obligations to you hereunder or, except where explicitly provided otherwise therein, under the Plan.

2. Waiver and Release of Claims .

(a) As used in this Release, the term "claims" will include all claims, covenants, warranties, promises, undertakings, actions, suits, causes of action, obligations, debts, accounts, attorneys' fees,

judgments, losses and liabilities, of whatsoever kind or nature, in law, equity or otherwise.

(b) You hereby waive and release any and all claims and potential claims, known and unknown, you have against the Company, parent companies, related corporations, subsidiaries or affiliates, or their officers, directors, employees or agents, relating to or arising out of, your employment with the Company and the termination of your employment, including, without limitation, claims as to tax consequences to you of any payments made to you by the Company. This Release applies to all claims relating to your employment, including, but not limited to, claims arising under the New York State Executive Law or the New York City Civil Rights Law, any statutory, contract or tort claims and any claims arising under Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act of 1990 or the Fair Labor Standards Act. This Release does not apply to any claims not covered herein that arise after the date this release is executed by you and delivered to the Company, nor does this waiver and release limit your ability to enforce the terms of this Release.

(c) You acknowledge and agree that as of the Effective Date, you have no knowledge of any facts or circumstances that give rise or could give rise to any claims under any of the laws listed in the preceding paragraph.

(d) You specifically release all claims relating to your employment and its termination under ADEA, a United States federal statute that, among other things, prohibits discrimination on the basis of age in employment and employee benefit plans.

(e) Notwithstanding any provision of this Release to the contrary, by executing this Release, you are not releasing any claims relating to any indemnification rights you may have as a former officer or director of the Company or its subsidiaries in accordance with the Company's or such subsidiary's bylaws, as the case may be.

3. Knowing and Voluntary Waiver . You expressly acknowledge and agree that you:

(a) Are able to read the language, and understand the meaning and effect, of this Release;

(b) Have no physical or mental impairment of any kind that has interfered with your ability to read and understand the meaning of this Release or its terms, and that your not acting under the influence of any medication, drug or chemical of any type in entering into this Release;

(c) Are specifically agreeing to the terms of the release contained in this Release because the Company has agreed to pay you the amounts set forth in the Plan. The Company has agreed to provide such amounts because of your agreement, among others, to accept it in full settlement of all possible claims you might have or ever had, and because of your execution of this Release;

(d) Understand that, by entering into this Release, you do not waive rights or claims under ADEA that may arise after the Effective Date;

(e) Had or could have had twenty-one (21) calendar days in which to review and consider this Release;

(f) Were advised to consult with your attorney regarding the terms and effect of this Release and

(g) Have signed this Release knowingly and voluntarily.

4. No Suit . You represent that you have not filed or permitted to be filed against the Company or any related companies, individually or collectively, any complaints or lawsuits arising out of your employment, or any other matter arising on or prior to the date hereof.

5. Successors and Assigns . The provisions hereof shall enure to the benefit of your heirs, executors,

administrators, legal personal representatives and assigns and shall be binding upon your heirs, executors, administrators, legal personal representatives and assigns.

6. Severability . If any provision of this Release shall be held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect. The illegality or unenforceability of such provision, however, shall have no effect upon and shall not impair the enforceability of any other provision of this Release.

7. Non-Disparagement . You agree to refrain from making any disparaging, negative or uncomplimentary statements regarding the Company, any related companies and/or any officers, employees or other service providers of the Company or related companies.

8. Non-Disclosure . You shall not disclose the nature or terms of this Release or the negotiations that led to this Release to any person or entity, other than your spouse, tax advisors and legal counsel, without the written consent of the Company, unless required to do so by law.

9. Non-Admission . Nothing contained in this Release will be deemed or construed as an admission of wrongdoing or liability on the part of you or the Company.

10. Entire Agreement . This Release and the Plan together constitute the entire understanding and agreement of the parties hereto regarding the termination of your employment. This Release and the Plan supersede all prior negotiations, discussions, correspondence, communications, understandings and agreements between the parties relating to the subject matter of this Release.

11. Governing Law . EXCEPT WHERE PREEMPTED BY FEDERAL LAW, THIS RELEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH FEDERAL LAW AND THE LAWS OF THE STATE OF NEW YORK, APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED IN THAT STATE. ANY DISPUTE OR CLAIM ARISING OUT OF OR RELATING TO THIS RELEASE SHALL BE BROUGHT EXCLUSIVELY IN THE FEDERAL COURT IN THE STATE OF NEW YORK. BY EXECUTION OF THE RELEASE, THE PARTIES HERETO, AND THEIR RESPECTIVE AFFILIATES, CONSENT TO THE EXCLUSIVE JURISDICTION OF SUCH COURT, AND WAIVE ANY RIGHT TO CHALLENGE JURISDICTION OR VENUE IN SUCH COURT WITH REGARD TO ANY SUIT, ACTION OR PROCEEDING UNDER OR IN CONNECTION WITH THE RELEASE. EACH PARTY TO THIS RELEASE ALSO HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY SUIT, ACTION, OR PROCEEDING UNDER OR IN CONNECTION WITH THIS RELEASE.

Exhibit B

[Form of Mitigation Certification]

In accordance with the Loral Space & Communications Inc. (“Loral”) Severance Policy for Corporate Officers and a General Release and Termination Agreement effective ___(the “Severance Arrangement”), I am entitled to receive or am currently receiving severance payments that are subject to mitigation. Pursuant to the Severance Arrangement, at the inception of the period during which I am entitled to receive severance payments in a series of installments and every three months thereafter during such installment payment period (the “Mitigation Period”), I am required to certify my employment status. Pursuant to these requirements, I hereby certify that, as of ___:

? I am not currently engaged in Employment (as defined in the Severance Arrangement) nor do I have any definitive expectations for Employment prior to my next certification.

? I am currently engaged in Employment.

My current annual salary or compensation is $ ___($ ___/biweekly) and my target bonus or incentive compensation for the current year is $ ___. The following is a list of all other compensation that I am entitled to in connection with my current Employment, including any amount received as a signing bonus and any amount of compensation promised or owed to me but not yet paid to me: ___

___

___

I understand that any or all of the installments severance payments due to me pursuant to the Severance Arrangements are subject to reduction on a dollar-for-dollar basis based on the compensation that I am entitled to receive in connection with my current Employment.

? Although I am not currently engaged in Employment as of the above date, I do expect to be employed as of ___, which is prior to my next mitigation certification. My expected annual salary or compensation will be $ ___($ ___/biweekly) and my target bonus or incentive compensation for the first year of Employment will be $ ___. The following is a list of all other compensation that I expect to be entitled to in connection with such Employment, including any amount to be received as a signing bonus and any amount of compensation promised or owed to me but that will not be paid to me immediately: ___

___

___

I understand that any or all of the installment severance payments due to me pursuant to the Severance Arrangements are subject to reduction on a dollar-for-dollar basis based on the compensation that I am entitled to receive in connection with such Employment.

Lastly, I understand if my Employment status changes at any time during the Mitigation Period, I am required to and will immediately notify Loral of such change.

Signature: ___

Date: ___

Loral Space Management Incentive Bonus Program
(Adopted as of December 17, 2008)

This document reflects the provisions of the Loral Space Management Incentive Bonus ("MIB") program, and is established effective January 1, 2008 by Loral Space & Communications Inc. ("Loral"), the program sponsor. The MIB program provides select employees of Loral and other affiliated employers who participate in the program with the opportunity to earn annual bonuses based on performance during each of Loral's fiscal years (each a "Bonus Year").

The MIB program may be amended, suspended or terminated by Loral at any time. Any participating employer may withdraw from the program at any time.

Each Bonus Year that the MIB program is effective, the Compensation Committee of the Board of Directors of Loral (the "Compensation Committee"), with the advice of the CEO of Loral (the "CEO"), will establish the eligibility criteria, the maximum bonus amount available, bonus levels for all participants and the annual bonus performance targets, if any, that will apply for that Bonus Year. All or part of any bonus may be discretionary or based on individual performance. Participation in the MIB program each Bonus Year is at the discretion of the Compensation Committee or the CEO. Employees who are chosen to participate in the MIB program for any Bonus Year will be notified of their participation and the performance targets for the Bonus Year, if any. This process may occur at any time. Bonus payments hereunder are neither mandatory nor guaranteed and no individual has any vested rights under the MIB program.

At or following the end of each Bonus Year, the Compensation Committee and/or the CEO, depending upon the seniority level of the participant, will determine the degree to which the performance targets for the Bonus Year, if any, have been achieved, evaluate the performance of each participant and determine the bonus payments, if any, to be paid to participants. The Compensation Committee and the CEO may delegate their authority to determine bonuses, with respect to non-corporate office participants, to one or more officers of Loral or one or more officers of a participating employer. Generally, in order to receive a bonus payment, participants must (i) be actively employed by Loral or a participating employer on the scheduled payment date of the bonus or (ii) have been terminated by Loral or a participating employer without cause (as such term is defined in the Loral Space & Communications Inc. 2005 Amended and Restated Stock Incentive Plan (the "Loral Stock Plan")) after six (6) months of service during the applicable Bonus Year; provided , however , that the CEO or the Compensation Committee has absolute discretion to waive any such requirements or disqualify any participant who satisfies one of the above two requirements and cause any bonus payable to any such participant to be forfeited at any time prior to actual payment, for any reason or for no reason.

Bonus payments under the MIB program shall be made in the Bonus Year immediately following the Bonus Year, no later than two and one-half (2 1/2) months after the end of such Bonus Year. If a Bonus Year is the calendar year, then bonus payments must be made no later than March 15 of the calendar year following the Bonus Year. Any change to the payment schedule set forth above must be reflected through a written amendment to the MIB program before the start of the applicable Bonus Year. Bonuses will be paid in cash in a single lump sum; provided , however , that the Compensation Committee or the CEO may, in their discretion, determine to settle the payment of bonuses in shares of Loral common stock, $.01 par value per share ("Loral Stock"). Any payment of Loral Stock shall be funded from the Loral Stock Plan, or such other Loral plan that allows for the issuance of Loral Stock, as determined by the Compensation Committee or the CEO.

The MIB program shall be administered by the Compensation Committee and the CEO, each of whom will have full authority to interpret and administer the MIB program and all bonus payments hereunder and to resolve any and all conflicts and discrepancies that may exist herein or with any other document (including any offer letter, employment agreement or written severance plan or arrangement) and make any and all determinations with respect to bonus payments hereunder.

Unpaid bonuses hereunder may not be transferred or assigned except by will, a domestic relations order issued by a court or the laws of descent and distribution, nor may they be used as collateral or security for any loan or debt.

Each Bonus under the MIB program is intended to qualify as a “short term deferral” as that term is defined in Treas. Reg. §1.409A-1(b)(4) and thereby is exempt from §409A of the Internal Revenue Code of 1986, as amended (“409A”). The MIB program shall be interpreted and administered to preserve such exemption.

In the event any bonus hereunder shall fail to qualify as a “short term deferral” and if such bonus is determined to be subject to 409A, such 409A bonus shall be administered and interpreted to be fully compliant with 409A, even if this document fails to fully reflect all required 409A provisions and requirements, or even if its provisions are ambiguous and, in any such instance, Loral’s 409A Rules shall apply to such bonus.

SPACE SYSTEMS/LORAL, INC. SUPPLEMENTAL EXECUTIVE

RETIREMENT PLAN

Informally Known As

the Loral SERP or the Loral Pension SERP

Restated to reflect

amendments made through

December 17, 2008

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INTRODUCTION

This plan, the Space Systems/Loral, Inc. Supplemental Executive Retirement Plan (the "Plan") was established to offset certain limitations placed on benefits received under the Plan sponsor's qualified defined benefit pension plan. These limits are imposed by the Internal Revenue Code, and restrict both the maximum amount of compensation that can be taken into account, and the maximum amount of benefits that can be paid under a qualified plan.

The Plan sponsor established this Plan effective April 23, 1996 to permit employees and their beneficiaries to enjoy the benefits that would have been provided to them, but for these Code limitations.

The Plan is therefore an "excess benefit plan" as defined by the Employee Retirement Income Security Act of 1974, as amended. The Plan shall be known as the Space Systems/Loral, Inc. Supplemental Executive Retirement Plan, or as the Loral SERP or Loral Pension SERP.

The Plan was initially effective April 23, 1996.

The Plan has been restated to reflect amendments made through December 17, 2002; and restated again to reflect amendments made through December 17, 2008.

The sponsorship of the Plan was adopted by Loral Space & Communications Inc., effective November 20, 2005. The Plan had been initially established by Space Systems/Loral, Inc.

Article I — Definitions

The following terms shall have the designated meaning, unless a different meaning is clearly required by the context:

Annuity Starting Date.

Subject to Section ý2.6, a Participant's "Annuity Starting Date" shall be determined under these rules:

(a) Pre-2009 rules:

(1) The Annuity Starting Date under this Plan will generally be the "Annuity Starting Date" defined in the Basic Plan, provided that by the close of calendar year 2008 the Participant (1) is fully vested under Article IV of this Plan; (2) has made "Proper Application" for an "Annuity Starting Date" in or before calendar year 2008 under the Basic Plan, as defined by that plan; (3) is eligible to incur an "Annuity Starting Date" under the Basic Plan, as that term is defined in the Basic Plan, and (4) has met the payment eligibility criteria set out in Section ý2.1.1. If an "Annuity Starting Date" is determined under this paragraph, it will be considered to be determined under the "Pre-2009 rules."

(2) The definition of "Annuity Starting Date" set out in the preceding paragraph (a)(1) will apply to all Plan Participants who meet the criteria set out in paragraph (a)(1), even if their Plan benefits do not actually begin until after 2008.

(b) Post-2008 rules .

(1) If a Plan Participant does not meet the criteria set out in the preceding provisions of subsection (a) of this definition, he will incur an Annuity Starting Date if he meets all the eligibility requirements for Plan payment set out in Section ý2.1.1. In this event, his Annuity Starting Date must be the later of either (1) the first day of the calendar month coincident with or immediately following the day that the Participant reaches age 55, or (2) the first day of the calendar month that is six months after the date of the Participant's Separation from Service. Any "Annuity Starting Date" under this Plan that is determined under this paragraph will be considered to be determined under the Post-2008 rules.

(2) The Annuity Starting Date set out in the preceding paragraph cannot be delayed or accelerated. It is a mandatory payment date. Participants shall not be given any election or power to change the timing of this date.

(3) An immediate lump-sum payment of a small benefit, made under Sections ý2.5 or ý2.4 after 2008 will be subject to the timing rules of an Annuity Starting Date determined under the Post-2008 rules of this paragraph (b).

Basic Plan.

The qualified defined benefit pension plan sponsored by SS/L (through November 19, 2005) or by Loral (effective November 20, 2005), in which a Participant participates. If a Participant has an interest in more than one such plan,

then the term “Basic Plan” shall refer to such plans collectively, except as this Plan’s context shall otherwise require.

Basic Plan Benefit.

The benefit amount accrued by a Participant under a Basic Plan.

Beneficiary.

(a) General definition . Beneficiary means the person, trust, estate, or other entity entitled to receive benefits (if any) after the Participant’s death under the Plan

(b) Pre-2009 rules. If the Annuity Starting Date of a Participant is determined under the Pre-2009 rules, the Beneficiary shall be the same as the Participant’s beneficiary under the Basic Plan.

(c) Post-2008 rules .

(1) If the Annuity Starting Date of a Participant is determined under the Post-2008 rules, then the Participant may select a Beneficiary by making Proper Application before his Annuity Starting Date. The deadline for this Proper Application will be determined by procedures set by the Committee.

(2) If the Participant fails to make a Proper Application by this deadline, then (1) he shall have no Beneficiary if he is unmarried on his Annuity Starting Date (or is determined by the Committee to be unmarried as of that date, based on the most recent and reliable information that it has received); and (2) will have his Spouse as his deemed designated Beneficiary, if he is married on his Annuity Starting Date (or is determined by the Committee to be married on that date, based on the most recent and reliable information that it has received).

(3) Proper Application for a married Participant to select a Beneficiary who is not his Spouse must comply with the rules set out in Section ý2.8.4.

(4) In no event will a Beneficiary designation be permitted to affect, modify, or delay a Participant’s Annuity Starting Date.

Board.

The Board of Directors of the Company, or the Board’s Executive Committee or Compensation Committee.

Cause.

The term ”Cause” is defined in Section ý4.2.

Code.

The Internal Revenue Code of 1986, as amended from time to time, and all applicable regulations, administrative guidance, and judicial rulings..

Committee.

The administrative Committee appointed to administer the Plan pursuant to Article III. The Committee is the plan administrator.

Company.

The Company is the Plan sponsor. From April 23, 1996 through November 19, 2005, the Company was Space

Systems/Loral, Inc. (“SS/L”). Effective November 20, 2005, the Company is Loral Space & Communications, Inc. (“Loral”).

Employer.

(a) Any subsidiary or affiliate of the Company which has adopted this Plan and its related trust (if established or maintained), so as to become a participating employer in the Plan, with the consent of the Company.

(b) Each Employer shall act by resolution of its Board of Directors. If the Employer is a limited liability company, it shall act by resolution of its Board of Managers; if the Employer is any other entity that is not a corporation, then it shall act by resolution of the Board of Directors of either its parent corporation, managing general partner, or general partner; if such a partner is not a corporation, then by the Board of Directors of the managing general partner (or general partner) of the managing general partner (or general partner), etc.

(c) If the context of the Plan provision requires, the term “Employer” shall also include the Company.

(d) With respect to any Participant or Beneficiary, the term “Employer” shall mean the Employer for which the Participant is or was a common-law employee.

ERISA.

The Employee Retirement Income Security Act of 1974, as amended from time to time, and all applicable regulations, administrative guidance, and judicial rulings.

FICA.

FICA refers to the Federal Insurance Contributions Act employment tax imposed on employees.

Investment Committee.

The group of one or more persons created at the discretion of the Board to have investment authority over Trust or Plan assets, as described in Section ý3.9.

Joint and survivor annuity.

The term “joint and survivor annuity” is a form of annuity benefit provided under the Basic Plan, which pays a specific monthly payment for the life of the Participant, and a benefit to any surviving beneficiary. Under this Plan, a 50% joint and survivor annuity is offered as an optional form of payment. The definition and calculation rules of that benefit will be those set for a 50% joint and survivor annuity by the Basic Plan. The 50% joint and survivor annuity under this Plan shall be the actuarial equivalent of a single life annuity under this Plan.

Loral.

Loral Space & Communications Inc., and depending on the context, its subsidiaries, affiliates, or its successor as Plan sponsor. Loral shall act by resolution of the Board. Loral became the Plan sponsor effective November 20, 2005.

Participant.

(1) A Participant in the Basic Plan who accrues benefits under that plan on or after April 1, 1996 and whose Basic Plan Benefit is limited by § 415 of the Code or whose compensation for purposes of calculating a Basic Plan Benefit is limited by § 401(a)(17) of the Code.

(2) However, to the extent that the Basic Plan provides an enhanced “contributory” formula, under which the highest level of Basic Plan accruals are earned only if the Basic Plan participant voluntarily makes salary deferral contributions to the Basic Plan, then an individual can only be a Participant accruing benefits under this Plan during

those periods that he made such contributions to the Basic Plan.

(3) In addition, effective November 1, 2007, a Participant will also include any "Participant" as that term is defined in the Basic Plan, who receives a Post-Termination Bonus. Such a payment will cause the eligible "Participant" (as defined under the Basic Plan) to become a Participant of this Plan, even if the amount of the Post-Termination Bonus does not exceed any limit set by Code § § 415 or 401(a)(17).

(4) As context demands, the term "Participant" shall also include a former Participant.

Plan.

This Space Systems/Loral, Inc. Supplemental Executive Retirement Plan, as amended, and as from time to time in effect.

Plan Year.

The Plan Year of this Plan will be that of the Basic Plan.

Post-Termination Bonus.

A Post-Termination Bonus is recognized as credited compensation under this Plan, for the purpose of determining the Plan benefit, under the rules of Section ý2.2. A bonus will only be considered to be a Post-Termination Bonus if it is:

(1) paid on or after November 1, 2007, and

(2) paid under the Loral Management Incentive Bonus program, and

(3) paid to a "Participant" who has been "laid off," as both those terms are described in the Basic Plan.

(4) Additionally, a bonus will be considered a Post-Termination Bonus only if it is not credited as compensation under the Basic Plan; and

(5) a bonus will be considered a Post-Termination Bonus only if its recipient made voluntary contributions to the Basic Plan for the entire period of service which gave rise to the bonus.

(6) A Post-Termination Bonus is not required to equal or exceed any specific amount, in order to be recognized as credited compensation by the Pension SERP.

(7) A post-employment bonus that is credited as compensation under the Basic Plan will be treated as would any other amount credited under the Basic Plan, under Section ý2.1.2.

Proper Application.

For all Plan purposes, making any election, granting any consent, giving any notice or information, and making any communication whatsoever to the Committee or its delegates, in compliance with all Plan procedures, on forms or websites provided by the Committee, and providing all information required by the Committee. A Proper Application will be deemed to have been made only if it is properly completed, as determined by the Committee.

QDRO or Qualified Domestic Relations Order.

A QDRO shall mean an order as defined in Code Section 414(p), and shall be subject to all administrative rules established under the Basic Plan. The Committee shall have full discretionary authority to determine whether any court order is a QDRO.

Qualified Pre-Retirement Survivor Annuity.

This term “Qualified Pre-Retirement Survivor Annuity” or “QPSA” as used in this Plan shall have the meaning that it has under the Basic Plan. A QPSA is a form of benefit paid to the surviving Spouse of a Participant who has died before incurring an Annuity Starting Date. The term “Spouse” is defined uniquely by the Basic Plan, in the context of eligibility for a QPSA. That definition of “Spouse” shall apply to this Plan for the purposes of Section ý2.4.

QPSA.

The term “QPSA” refers to a “Qualified Pre-Retirement Survivor Annuity,” as defined in this Article I.

Reg. §.

This abbreviation means “Treasury Regulation Section.” It shall refer to a regulation section promulgated by the Treasury, and shall also reflect any applicable amendments or IRS or judicial guidance.

Separation from Service.

(a) The term “Separation from Service” shall have the meaning set by Reg. §1.409A-1(h). The term shall apply only to a Participant whose Annuity Starting Date is determined under the Post-2008 rules.

(b) Specifically, a Separation from Service shall be considered to occur on the date as of which the Employer and Participant reasonably anticipate that either (1) no further services will be performed, or (2) that the Participant will continue to perform services for the Employer, as either a regular employee or as an independent contractor, but that the Participant’s work schedule or bona fide level of services will permanently be less than 50% of the average schedule or level that the Participant had performed, over the previous three anniversary years.

(1) Further, a Separation from Service shall occur only if the Participant does not exceed the less-than-50% schedule that is detailed in the preceding sentence.

(c) If a Participant’s Annuity Starting Date is (1) initially determined under the Post-2008 rules on account of a Separation from Service, but (2) the Participant initially undergoes a termination of employment that does not meet the criteria of a Separation from Service, then the Annuity Starting Date will be delayed until the Participant has incurred a Separation from Service that meets all the criteria of a “separation from service” as defined in Reg. §1.409A-1(h). The Annuity Starting Date will then be the first day of the month coincident with or immediately following this ultimate Separation from Service.

(1) In this event, the Plan will deem that the Participant had undergone his initial termination of employment on the date of his ultimate Separation from Service.

(2) Further, in this event, the circumstances of the initial termination of employment will determine the benefit paid under this Plan, rather than the circumstances of the ultimate “Separation from Service,” should this consideration affect Plan benefits or procedures.

(d) This definition may be changed only under the rules set out in Reg. §1.409A-1(h)(1)(ii).

“Social Security Wage Base.”

This term is defined in the Basic Plan.

Spouse.

A ”Spouse” shall be defined as that term is defined under the Basic Plan. The special rules of that definition, which apply to a QPSA, shall apply for the purposes of Plan Section ý2.4.

SS/L.

Space Systems/Loral, Inc., and depending on the context, its subsidiaries, affiliates, or its successor as Plan sponsor. SS/L shall act by resolution of the Board. SS/L was the Plan sponsor from April 23, 1996 through November 19, 2005.

Trust Agreement or Trust.

The document executed by SS/L and by the Trustee, which was subsequently adopted by Loral, fixing the rights and liabilities of each with respect to holding assets to be used to pay Plan benefits, should any such assets be held in the Trust. The Trust is established pursuant to the Company's intention that the Plan shall be an unfunded plan, as detailed in Section ý5.4. The Company intends that no Trust need be established. If a Trust is established, the Company does not intend that it needs to be maintained.

Trustee.

The trustee or trustees that may from time to time hold office pursuant to the Trust Agreement. As of June 30, 2003, the Trustee is the Frank Russell Trust Company, pursuant to the Amended and Restated Trust Agreement made as of the 30 th day of June 2003 between Space Systems/Loral, Inc. and Frank Russell Trust Company, known as the "Loral SERP Trust." As context requires, the term "Trustee" may refer to either the Plan record-keeper, or to the fiduciary with responsibility for investing and holding the Plan's assets. As clarity requires, this document shall specify whether the record-keeper or such a fiduciary shall substitute for the term "Trustee," as the term "Trustee" appears within this document.

Article II - Benefits

2.1 Eligibility for Plan Payment and Benefit Formula Rules.

2.1.1 General Eligibility Rules.

(a) An employee of an Employer will be eligible to be paid a benefit under this Plan only if he (1) meets all the criteria set out in the definition of "Participant;" and is and remains vested under this Plan, as detailed in Article IV.

(b) Further, benefits will be provided under this Plan to a Participant or Beneficiary only to the extent that the particular Employer of the Participant has actually funded the benefit. No other Employer will be responsible for providing a Participant's Plan accrued benefits, or for making contributions with respect to those accrued benefits, even if such an "other" Employer is within the same 80% controlled group as the particular Employer of the Participant.

(c) A Beneficiary will be eligible to be paid a Plan benefit only with respect to an individual who meets the criteria set out in the definition of "Participant," and who satisfies the vesting criteria of Article IV.

(d) Plan benefits paid to a Participant shall commence on his Annuity Starting Dates.

2.1.2 General Formula Rules .

The benefit payable under this Plan shall be calculated as the amount determined under Section ý2.1.3 minus the amount determined under Section ý2.1.4, supplemented by the amount described in Section ý2.2. Subject to Sections ý2.3 and ý2.4, the Plan benefit shall commence as of the Participant's Annuity Starting Date and continue for the remainder of the Participant's life.

2.1.3 SERP Formula Benefit .

(a) The benefit payable under this Section ý2.1.3 is the benefit payable to the Participant under the Basic Plan as of his Annuity Starting Date under this Plan, irrespective of any limitations imposed by § 415 or § 401 (a)(17) of the Code.

(b) However, notwithstanding the preceding paragraph, the following rule will apply to the extent that the Basic Plan provides an enhanced "contributory" formula, under which the highest level of Basic Plan accruals are earned only if the Basic Plan participant voluntarily makes salary deferral contributions to the Basic Plan.

(1) In this event, an eligible individual will accrue benefits under this Plan only with respect to those periods of Service (as defined under the Basic Plan) during which he made these voluntary salary deferrals under the Basic Plan.

2.1.4 Basic Plan Benefit .

(a) General rules . The benefit under this Section ý2.1.4 is the benefit payable to the Participant under the Basic Plan, after compliance with §§ 415 and 401(a)(17) of the Code.

(b) Post-2008 rules.

(1) If the Participant's Annuity Starting Date under the Basic Plan has not yet occurred as of the Annuity Starting Date under this Plan, then:

(A) the benefit under this Section ý2.1.4 shall be calculated as the actuarial equivalent (as determined under the Basic Plan) of the Basic Plan Benefit accrued as of the Annuity Starting Date under this Plan.

2.2 Post-Termination Bonuses Credited as Compensation under Plan .

(a) General rules . Effective November 1, 2007, the benefit payable under Section ý2.1.3 shall be calculated to credit as compensation any Post-Termination Bonus paid to a Participant.

(1) The formula of the Basic Plan shall be applied to this deemed credited compensation, so as to augment the benefit payable by this Plan, subject to the specific additional rules of this Section ý2.2.

(2) A bonus will be credited as a Post-Termination Bonus under this Plan only if it meets the specific definition of Post-Termination Bonus set out in Article I.

(b) Rules regarding specific Basic Plan formulas to apply to the Post-Termination Bonus; Social Security Wage Base rules .

(1) The Basic Plan provides two different benefit formulas, depending on whether credited compensation falls above or below the Social Security Wage Base.

(2) For the purpose of determining an accrued benefit under this Plan with respect to a Post-Termination Bonus, the Post-Termination Bonus will be deemed to have been the sole credited compensation under the Basic Plan and this Plan, for the calendar year in which it is paid. Accordingly, the Social Security Wage Base rules of the Basic Plan will apply to the Post-Termination Bonus as if the recipient had received no other credited compensation, for the calendar year of the bonus payment.

(3) The applicable Social Security Wage Base will be that of the year of payment (rather than that of the year for which Service was performed, for which the bonus was paid).

2.3 Post-Retirement Death Benefits .

(a) Pre-2009 rules . If a Participant's Annuity Starting Date is determined under the Pre-2009 rules, then this paragraph shall apply. Upon the death of the Participant after his Annuity Starting Date, benefits will continue to be paid to such Participant's Beneficiary in an amount equal to the benefit determined under Section ý2.1 multiplied by a fraction, the numerator of which is the benefit payable from the Basic Plan after the

Participant's death, and the denominator of which is the benefit payable from the Basic Plan immediately before the Participant's death. No amount will be paid after the Participant's death under this Plan if no such benefits are paid under the Basic Plan.

(b) Post-2008 rules . If a Participant's Annuity Starting Date is determined under the Post-2008 rules, then this paragraph shall apply. Post-retirement death benefits shall be paid following the death of a Participant only if he had elected or been deemed to have elected a 50% joint and survivor annuity (under rules for a deemed election set out in Section ý2.8.3). In this event, the Basic Plan's general rules regarding 50% joint and survivor annuity payments will govern the payment of the survivor annuity payments under this Plan.

2.4 Pre-Retirement Death Benefits .

(a) Pre-2009 rules . If a Participant's death occurs before 2009 and before his Annuity Starting Date, then this paragraph shall apply. Upon the death of the Participant prior to his Annuity Starting Date, his Beneficiary shall receive a benefit equal to the difference between the benefit received by such Beneficiary under the Basic Plan and the benefit that would have been paid under the Basic Plan irrespective of any limitations imposed by § 415 or 401(a)(17) of the Code. No amount will be paid under this Plan on account of the Participant's death prior to his Annuity Starting Date, unless such benefits are paid under the Basic Plan. The benefit under this Section ý2.4 will be paid at the same time as the QPSA benefit under the Basic Plan.

(b) Post-2008 rules . If a Participant's death occurs after 2008, but before his Annuity Starting Date, then this paragraph shall apply. A Plan death benefit will be paid only to the Participant's Spouse. For the purpose of this paragraph, a spouse will be considered to be a Spouse only if the spouse would be eligible to receive a QPSA under the Basic Plan. The amount of the death benefit will be equal to the difference between the QPSA benefit received by such Beneficiary under the Basic Plan (calculated as if the QPSA payment date under the Basic Plan were the payment date under this Plan) and the benefit that would have been paid under the Basic Plan irrespective of any limitations imposed by § 415 or 401(a)(17) of the Code (calculated with the same deemed payment date attributed to the Basic Plan). The benefit under this paragraph shall be paid on the first day of any calendar month that falls during the 90-day period immediately following the later of (1) the first day of the calendar month immediately following the Participant's death or (2) the first day of the month coincident with or immediately following the date that would have been the deceased's 55 th birthday. The Spouse will have no power or authority to select the start date of the Plan benefit; this determination shall be solely within the discretion of the Committee. If the Spouse does not make Proper Application to receive the benefit under this Section ý2.4 under the deadlines set by the Committee, then the Committee has the discretion to determine the benefit forfeited, in order to preserve the mandatory payments dates set under this Section ý2.4.

2.5 Small Benefit Immediate Lump Sum Cashout Rules . The following rules shall apply notwithstanding any other provision of this Plan.

(a) Benefits under this Plan shall be paid in a single lump sum if the Committee determines that the actuarial present value of a Participant's benefit under Section ý2.1.2 or a Beneficiary's benefit under Section ý2.4 is $10,000 or less. In making this calculation, the actuarial assumptions set forth in the small benefit cashout provisions of the Basic Plan shall be used. Present value calculations under this Section ý2.5 may be made (1) in connection with the Participant's Annuity Starting Date; (2) following the Participant's death, should he die before incurring an Annuity Starting Date; or (3) before 2009, in connection with the Participant's separation from service. Once made, a present value calculation will not be recalculated.

(b) Prior to 2009, the Committee may make present value calculations under this Section ý2.5, within its discretion. Any such calculations shall be made from time to time. Accordingly, in the event of a Participant's separation from service or death, the present value calculation may take place immediately, or after some time has elapsed, or not at all.

(c) Prior to 2009, the present value calculation of the Plan benefit shall be deemed to have been made as of the Annuity Starting Date, in the event that it is made in connection with an Annuity Starting Date. If a present value calculation has been delayed for any reason, and is made shortly before an Annuity Starting Date, it shall be deemed to have been made as of the Annuity Starting Date, as determined within the sole discretion of the

Committee.

(d) After 2008, the present value calculation of the Plan benefit under this Section ý2.5 shall be determined in connection with an Annuity Starting Date, or a benefit payable under Section ý2.4. In no event may an Annuity Starting Date determined under the Post-2008 rules, or the commencement of a benefit under Section ý2.4 be affected, modified, or delayed on account of a present value calculation required under this Section ý2.5.

(e) For Annuity Starting Dates before 1998, the applicable amount under this Section was $3,500. From 1998 through 2007, it was $5,000; during 2008 it was $7,500.

(f) This Section ý2.5 shall be administered without regard to Code Section 401(a)(31). Accordingly, no mandatory rollovers of small cash-out amounts to an IRA need ever be made under this Plan.

2.6 Benefits under Multiple Qualified Plans . The following rules shall only apply if a Participant or Beneficiary has an Annuity Starting Date determined under the Pre-2009 rules or a benefit under Section ý2.4 determined under the Pre-2009 rules.

2.6.1 Different Annuity Starting Dates . Benefits under this Plan shall be payable as of the Participant's earliest Annuity Starting Date under all Basic Plans. In the event that the Participant has benefits payable under different Basic Plans, with different Annuity Starting Dates, then the amount of his benefit under this Plan shall initially be determined based only on the Basic Plans for which the Participant's Annuity Starting Date has occurred, as though such Plans were the only Basic Plans in which the Participant had accrued a benefit. When benefits later begin under the other Basic Plans, benefits hereunder shall be increased to reflect the intent of this Plan to fully make up to the Participant the benefits he had not received under all Basic Plans, as a result of the Code's limitations.

2.6.2 Same Annuity Starting Dates . If a Participant's Annuity Starting Date is the same under all Basic Plans, then that date will be the Annuity Starting Date under this Plan.

2.6.3 Death Benefits . If benefits are paid under multiple Basic Plans in different forms, the death benefits pursuant to Section ý2.4 shall be determined with respect to each individual plan.

2.7 Suspension of Accruals under Basic Plan; or Employer's Withdrawal from Basic Plan .

(a) Should a Basic Plan ever be amended so as to suspend the future accrual of benefits, then a precisely corresponding amendment shall be deemed to have been made to this Plan. Accordingly, should the crediting of future accruals cease under a Basic Plan as of a specific date, then the crediting of future accruals will cease under this Plan, in connection with that Basic Plan, as of the same date.

(b) Similarly, if any Employer should withdraw from the Basic Plan, then accruals under this Plan would cease in connection with Participants who are employed by that Employer, simultaneously with the cessation of accruals under the Basic Plan.

2.8 Form of Annuity Paid under this Plan.

2.8.1 General rules.

(a) Subject only to Section ý2.5, the form of benefit under this Plan shall be an annuity, determined under the further rules of this Section ý2.8.

(b) Under all circumstances, the actuarial factors of the Basic Plan and the general calculation rules of the Basic Plan will be used to calculate the annuity amount payable under this Plan, using the ages of the Participant and his Beneficiary (if applicable) as of the Participant's Annuity Starting Date (or the Beneficiary's payment start date) under this Plan.

2.8.2 Rules before 2009 . If a Participant's Annuity Starting Date is determined under the Pre-2009 rules, then his

Plan annuity benefit will follow the form and schedule of his Basic Plan annuity payment. All elections made with respect to his Basic Plan benefit payment will fully apply to this Plan's benefit payment. The Participant will have no power to select his form of benefit, under this Plan.

2.8.3 Rules after 2008 . If a Participant's Annuity Starting Date is determined under the Post-2008 rules, then he will be permitted to choose one of only two forms of annuity benefits – a single life annuity, or a 50% joint and survivor annuity. The definitions of those two terms will be determined under the Basic Plan.

(1) Elections regarding a Participant's choice of annuity must be made by Proper Application before a Participant's Annuity Starting Date. The deadline for this Proper Application will be determined by procedures set by the Committee.

(2) If the Participant fails to make a Proper Application by this deadline, then (1) he shall receive a single life annuity if he is unmarried on his Annuity Starting Date (or is determined by the Committee to be unmarried as of that date, based on the most recent and reliable information that it has received); or (2) will receive a 50% joint and survivor annuity with his Spouse as his deemed designated Beneficiary, if he is married on his Annuity Starting Date (or is determined by the Committee to be married on that date, based on the most recent and reliable information that it has received).

(3) In no event will a selection of annuity form be permitted to affect, modify, or delay a Participant's Annuity Starting Date.

2.8.4 Spousal consent rules after 2008 .

(a) If a Participant is married on his Annuity Starting Date, and his Annuity Starting Date is determined under the Post-2008 rules, then his Proper Application to select a single life annuity (or a non-Spouse Beneficiary) will require that the Participant submit to the Committee a notarized spousal consent form, executed by his Spouse, equivalent to the spousal consent form required under the Basic Plan, if a married participant of that plan foregoes a qualified joint and survivor annuity.

(b) The Committee shall have the discretionary authority to deem that a spousal consent form completed with respect to the Basic Plan shall also apply to this Plan.

Article III -Administration; Accrued Benefits; Right to Amend

3.1 The Committee — the Plan Administrator.

3.1.1 Appointment . The Committee shall be appointed from time to time by the Board to serve at the Board's pleasure. Any member of the Committee may resign by delivering his written resignation to the Board. Any member of the Committee who ends his service as a common-law employee of any Employer shall simultaneously cease to be a Committee member.

3.1.2 Role under ERISA . The Committee is the "named fiduciary" for operation and administration of the Plan and the "administrator" under ERISA. The Committee is designated as agent for service of legal process.

3.1.3 Committee establishes Plan procedures . The Committee and its delegates shall from time to time establish rules and procedures for the administration and interpretation of the Plan and the transaction of its business.

3.1.4 Role of human resource and benefits personnel . Employees of an Employer who are human resources personnel or benefits representatives are the Committee's delegates and shall, under the authority of the Committee, perform the routine administration of the Plan, such as distributing and collecting forms and providing information about Plan procedures.

3.1.5 Discretionary power to interpret plan.

(a) The Committee has complete discretionary and final authority to (1) determine all questions, including

factual determinations, concerning eligibility, elections, and benefits under the Plan, (2) construe all terms under the Plan and the Trust, including any uncertain terms, and (3) determine all questions concerning Plan administration. All administrative decisions made by the Committee, and all its interpretations of the Plan documents, shall be given full deference by any court of law.

(b) Information that concerns an interpretation of the Plan or a discretionary determination, can be properly provided only by the Committee, and not by any delegate (other than legal counsel).

(c) Should any individual receive oral or written information concerning the Plan, which is contradicted by a subsequent determination by the Committee, then the Committee's final determination shall control.

3.2 Rules and Powers of the Committee .

(a) Any act that the Plan authorizes or requires the Committee to do may be done by at least a majority of its members. The action of such a majority shall constitute the action of the Committee and shall have the same effect for all purposes as if made by all members of the Committee at the time in office. The Committee may act without any writing that records its decisions, and need not document its meetings or teleconferences. The Committee may also act through any authorized representative. The Committee may appoint one or more investment managers.

(b) The Committee may employ counsel and other agents and may procure such clerical, accounting, actuarial and other services as they may require in carrying out the provisions of the Plan. Legal counsel are authorized as the Committee's delegates.

(c) No member of the Committee shall receive any compensation for his services as such. All expenses of administering the Plan, including, but not limited to, fees of accountants, counsel and actuaries shall be paid by each Employer, to the extent that they are not paid under the Trust.

(d) Each member of the Committee may delegate Committee responsibilities among Employer directors, officers, or employees, and may consult with or hire outside experts. The expenses of such experts shall be paid by each Employer, to the extent that they are not paid under the Trust.

(e) If an Investment Committee is established, and/or an investment manager be appointed, then the Committee shall be relieved of all fiduciary duty with respect to Trust and/or Plan assets under the control of such the Investment Committee and/or investment manager, to the extent provided by law.

3.3 Claims Procedure .

(a) The Committee shall determine Participants' and Beneficiaries' rights to benefits under the Plan. In the event that a Participant or Beneficiary disputes an initial determination made by the Committee, then he may dispute the determination only by filing a written claim for benefits.

(b) If a claim is wholly or partially denied, the Committee shall provide the claimant with a notice of denial, generally within 90 days of receipt, written in a manner calculated to be understood by the claimant and setting forth:

(1) The specific reason(s) for such denial;

(2) Specific references to the pertinent Plan provisions on which the denial is based;

(3) A description of any additional material or information necessary for the claimant to perfect the claim with an explanation of why such material or information is necessary (if applicable); and

(4) Appropriate information as to the steps to be taken if the claimant wishes the Committee to revise its initial denial. The notice of denial shall be given within a reasonable time period but no later than 90 days after

the claim is received, unless circumstances require an extension of time for processing the claim. If such extension is required, written notice shall be furnished to the claimant within 90 days of the date the claim was received stating that an extension of time and the date by which a decision on the claim can be expected, which shall be no more than 180 days from the date the claim was filed.

(c) If no written notice of denial is provided by the Committee, then the claim shall be deemed to be denied, and the claimant may appeal the claim as though the claim had been denied.

(d) The claimant and/or his representative may appeal the denied claim and may:

(1) Request a review by making a written request to the Committee provided that such a request is made, within 60 days of the date of the notification of the denied claim;

(2) Review pertinent documents.

(e) Upon receipt of a request for review, the Committee shall within a reasonable time period but not later than 60 days after receiving the request, provide written notification of its decision to the claimant stating the specific reasons and referencing specific plan provisions on which its decision is based, unless special circumstances require an extension for processing the review. If such an extension is required, the Committee shall notify the claimant of the date, no later than 120 days after receiving the request for review, on which the Committee will notify the claimant of its decision.

(f) In the event of any dispute over benefits under this Plan, all remedies available to the disputing individual under this Article must be exhausted, within the specified deadlines, before legal recourse of any type is sought.

3.4 QDRO Claim .

Claims relating to or affected by a domestic relations order as defined by Code § 414(p) ("QDRO") or draft order shall be determined under the Basic Plan Committee's procedures concerning domestic relations orders. The claims procedure described in the preceding section shall not apply to any such domestic relations order claim.

3.5 Indemnification of Plan Fiduciaries .

To the fullest extent permitted by law, each Employer agrees to indemnify, to defend, and hold harmless the members of the Investment Committee (if created) and the Committee and its delegates, individually and collectively, against any liability whatsoever for any action taken or omitted by them in good faith in connection with this Plan or their duties hereunder and for any expenses or losses for which they may become liable as a result of any such actions or non-actions unless resultant from their own willful misconduct; and each Employer will purchase insurance for the Investment Committee, and the Committee and its delegates to cover any of their potential liabilities with regard to the Plan.

3.6 Power to Execute Plan and Other Documents .

Any Company officer, or any Committee member shall have the authority to execute governmental filings or other documents relating to the Plan (including the Plan document), or this authority may be delegated to another officer or employee of an Employer by either the Board or the Committee.

3.7 Conclusiveness of Records .

In administering the Plan, the Committee may conclusively rely upon an Employer's payroll and personnel records maintained in the ordinary course of business.

3.8 Plan Amendments and Termination .

3.8.1 General Power to Amend . The Board may at any time amend the Plan in any respect or suspend or terminate

the Plan in whole or in part, without the consent of any Participant or Beneficiary, or any Employer whose employees are covered by this Plan, subject to Sections ý3.8.2 and ý3.8.3. Any such amendment, suspension or termination may be made with or without retroactive effect, save as provided in Sections ý3.8.2 and ý3.8.3.

3.8.2 No Cut-Back of Accrued Benefits .

Notwithstanding Section ý3.8.1, this Plan may not be amended or terminated in any respect that has the effect of reducing or eliminating any Plan benefit that had accrued as of the effective date of the amendment or termination, unless the affected Participants or Beneficiaries each give consent. That is, there shall be no retroactive cut-backs of accrued Plan benefits, without individual consent. The Committee has discretionary authority as to what constitutes an "accrued benefit" under this paragraph, and shall not be obliged to adopt the definition of Code §411(d)(6).

3.8.3 Restrictions on Amendments .

(a) Any amendment of the payment rules of this Plan will affect only those Plan accruals earned in the service period beginning after the change is adopted.

(b) Any amendment of the defined term "Separation from Service" must satisfy the timing rules for such an amendment set out in Reg. §1.409A-1(h)(1)(ii).

3.9 Investment Committee .

3.9.1 Appointment of Investment Committee . The Board may, within its discretion, appoint an Investment Committee, of at least one person. The appointment of an Investment Committee shall relieve the Board, the Company, the Committee, and all participating Employers from all fiduciary responsibility for all Trust and/or Plan assets under the control of the Investment Committee, to the fullest extent permitted by law. The Investment Committee, if it is created by the Board, shall be a fiduciary of the Plan, but shall not be the "named" fiduciary, as that term derives under ERISA. The Board may also, within its discretion, decline to create an Investment Committee, or disband it at any time. Any member of the Investment Committee who ends his service as a common-law employee of any Employer shall simultaneously cease to be an Investment Committee member.

3.9.2 Powers of the Investment Committee, and investment managers .

(a) The Investment Committee, if appointed, has the sole and final authority regarding the investment and management of Trust and/or Plan assets under and subject to the terms of this Plan and the Trust (if the Trust is established). The Investment Committee may delegate its responsibilities, appoint investment managers, oversee its delegates, and each Investment Committee member may execute documents on behalf of the Investment Committee, with respect to Trust and/or Plan assets. The Investment Committee shall exercise its powers subject to the terms of the Trust, if the Trust established or maintained.

(b) Should the Investment Committee or the Committee appoint an investment manager, as that term is defined in ERISA, then the Investment Committee shall be relieved of all fiduciary duty with respect to Trust and/or Plan assets under the control of such an investment manager, to the fullest extent provided by law.

(c) Any act which the Plan or Trust authorizes or requires the Investment Committee to do shall be done by at least a majority of its members. The action of such a majority shall constitute the action of the Investment Committee and shall have the same effect for all purposes as if made by all members of the Committee at the time in office. The Investment Committee may act without any writing that records its decisions, and need not document its meetings or teleconferences. The Investment Committee may also act through any authorized representative.

(d) The Investment Committee may employ counsel, outside experts, and other agents and may procure such clerical, accounting, actuarial and other services as they may require in carrying out the provisions of the

Plan.

(e) No member of the Investment Committee shall receive any compensation for his services as such. All expenses relating to the Investment Committee's activities, including, but not limited to, fees of accountants, counsel and actuaries shall be paid by each Employer, to the extent that they are not paid under the Trust.

Article IV -Vesting and Forfeiture

4.1 Vesting.

4.1.1 General rules.

A Participant shall be initially entitled to a benefit under this Plan only after satisfying the initial vesting requirements set out in this Section 4.1. Continued vesting under the Plan after a Participant's Annuity Starting Date is subject to the provisions of Section ý4.3.

4.1.2 Vesting upon death or disability .

A Participant who dies while in active service will become immediately vested in his Plan benefits, as he would under the Basic Plan, subject to Section ý4.3. However, a Participant's disability will not accelerate his vesting under this Plan.

4.1.3 Pre-2009 rules .

4.1.3.1 Introduction . If a Participant's Annuity Starting Date is determined under the Pre-2009 rules, then this Section ý4.1.3 will control when he becomes initially vested in this Plan's benefits.

4.1.3.2 General rules . Vesting, as determined under this Section ý4.1.3 shall occur only when the Participant has (1) satisfied the vesting requirements of the Basic Plan; (2) terminated employment with his respective Employer, (3) satisfied all eligibility requirements for benefits under this Plan set out in Section ý2.1.1; and (4) applied and received explicit Committee approval to receive Plan benefits, with respect to the forfeiture issues addressed by Section ý4.1.3.3.

4.1.3.3 Forfeiture determination . A Participant shall not be fully vested under this Section ý4.1.3 until, following his termination and application for Plan benefits, the Committee has determined that he is not subject to forfeiture of his Plan benefits under this Section ý4.1.3.3. Forfeiture of all Plan benefits (including death benefits and Plan benefits previously paid) under this Section ý4.1.3.3 shall take place, notwithstanding any contrary Plan provision, if a Participant: (1) is dismissed for Cause, as defined in Section ý4.2; (2) becomes employed by a company in substantial competition with an Employer without Committee approval; or (3) engages in conduct contrary to the best interests of an Employer.

4.1.4 Post-2008 rules .

4.1.4.1 Introduction . If a Participant's Annuity Starting Date is determined under the Post-2008 rules, then this Section ý4.1.4 will control when he becomes initially vested in this Plan's benefits.

4.1.4.2 General rules . Vesting, as determined under this Section ý4.1.4 shall occur only when the Participant (or Beneficiary, as applicable) has (1) completed 10 full Years of Eligibility Service, as that term is defined and calculated under the Basic Plan (subject only to the exceptions set out in Sections ý4.1.2 and ý4.1.4.3); (2) terminated employment with his respective Employer; (3) satisfied all eligibility requirements for benefits under this Plan, set out in Section ý2.1.1; and (4) paid the requisite FICA tax imposed on the Participant or Beneficiary, with respect to the Participant's Plan benefit, immediately upon termination (or upon the Participant's death, if earlier), as set out in Section ý5.2.

4.1.4.3 Vesting if hired at or after age 60 . If a Participant's initial vesting is determined under this Section ý4.1.4, and he is hired on or after his 60 th birthday, then he shall satisfy the service requirement of

Section ý4.1.4.2 by completing 5 full Years of Eligibility Service, rather than the 10 Years that is generally required under that Section.

4.1.4.4 Vesting if salary deferrals were not made under Basic Plan . Periods during which a Participant has not made voluntary salary deferrals under the Basic Plan (if the highest level of Basic Plan benefits were conditioned on such deferrals, during those periods) will nevertheless be counted by this Plan under Section ý4.1.4.2, for the purpose of crediting Years of Eligibility Service, to the extent that these periods would meet the definition of Years of Eligibility Service under the terms of the Basic Plan.

4.2 Cause.

4.2.1 Cause means the Participant or former Participant's:

(a) conviction, or having pled guilty or *nolo contendere* to any felony or any other crime that would have constituted a felony under the laws of the state in which the Plan sponsor is headquartered

(b) having been indicted for any felony, or any other crime that would have constituted a felony under the laws of the state in which the Plan sponsor is headquartered, in connection with the Participant's employment with any Employer

(c) having breached any material provision of any noncompetition, nonsolicitation or confidentiality agreement with any Employer

(d) having committed any fraud, embezzlement, theft, misappropriation of funds, malicious destruction of an Employer's property, breach of fiduciary duty, improper disclosure of an Employer's trade secrets or any other wrongdoing against any Employer, provided that any such commission was material

(e) having engaged in any willful misconduct resulting in or reasonably likely to result in a material loss to any Employer or substantial damage to its reputation, or

(f) having willfully breached in any material respect any material provision of his Employer's Code of Conduct and, to the extent any such breach is curable, the Participant has failed to cure such breach within ten (10) days after written notice of the alleged breach is provided to the Participant.

4.3 Forfeiture after Plan Benefits have Commenced .

(a) Notwithstanding any contrary Plan provision, and notwithstanding any initial vesting determination that may have been made with respect to any Participant, all Plan Participants are subject to forfeiture of their Plan benefits after their Annuity Starting Dates have occurred, under this Section ý4.3.

(b) Forfeiture will occur under this Section ý4.3 if the Committee determines that the former Participant's actions, either before or after his Annuity Starting Date, constitute Cause.

(c) Such a forfeiture shall be effective as of the date that the events of forfeiture have occurred, as determined within the sole discretion of the Committee. The Committee may therefore make a retroactive forfeiture determination. Any Plan benefits that have been paid after the effective date of the retroactive forfeiture determination shall be subject to the same procedures accorded to a mistaken payment under Section ý5.10.

(d) A forfeiture under this Section ý4.3 will apply to future Plan benefits and benefits that have been previously paid, including death benefits under Sections ý2.3 and ý2.4.

4.4 Determinations by Committee .

The Committee shall have full, final, and discretionary authority to make determinations under this Article IV. Any forfeiture determination made by the Committee shall be final, binding, and conclusive upon the Participant and his Beneficiaries.

Article V -General Provisions

5.1 No Assignment or Alienation of Benefits.

Subject to Sections ý2.3 and ý2.4, and to any QDROs, payment of benefits pursuant to this Plan shall be made only to Participants. Such benefits shall not be subject in any manner to the debts or other obligations of the person to whom they are payable and shall not be subject to transfer, anticipation, sale, assignment, bankruptcy, pledge, attachment, charge or encumbrance in any manner, either voluntarily or involuntarily.

5.2 FICA & Other Withholding Taxes.

5.2.1 General rules.

(a) Whenever a Plan payment is made to a Participant or Beneficiary, the Committee shall be entitled to require as a condition of payment that the recipient remit an amount, sufficient in the Committee's discretionary determination to satisfy all applicable FICA, federal, and other tax or withholding tax requirements. The Committee and any Employer shall be entitled to deduct such amount from any ultimate Plan payment or payments.

5.2.2 Post-2008 rules .

(a) If a Participant's Annuity Starting Date is determined under the Post-2008 rules, then this Section ý5.2.2 shall apply, in addition to or in lieu of Section ý5.2.1.

(b) Upon a Participant's termination of employment, the Committee and the Employer have the discretionary power to cause the Plan or the Employer to pay the portion of FICA and other withholding taxes arising from the Participant's estimated accrued Plan benefit that are attributable to the Participant (rather than the Employer). The Participant will be obliged to repay this amount to the payor. A withholding will be made from the Participant's Plan benefits, in order to reimburse the payor.

5.3 No Right to Continue Employment .

This Plan is voluntary on the part of the Company and each Employer and shall not be deemed to constitute an employment contract between any Employer and a Participant and/or consideration for or an inducement for or condition of employment of any Participant. Nothing in this Plan shall be deemed to give any employee the right to be retained in the service of any Employer or to interfere with the right of any Employer to discharge, terminate or lay off any Participant at any time for any reason.

5.4 Unfunded Plan .

The Plan is intended to constitute an unfunded, nonqualified pension plan for a select group of management or highly compensated employees, for the purposes of ERISA.

5.5 Governing Law, Code §409A, and Construction of this Plan Document .

(a) It is intended that the Plan conform to and meet the applicable requirements of ERISA and the Code. Except to the extent preempted by ERISA, the validity of the Plan or of any of its provisions shall be determined under, and it shall be construed and administered according to, the laws of the state of Plan sponsor's headquarters (including its statute of limitations provisions, and all substantive and procedural law, and without regard to its choice of laws provisions).

(b) This Plan is intended to conform to the Code, and shall be interpreted and administered accordingly.

(c) This Plan is intended to be compliant with Code §409A ("409A"). The Plan shall be interpreted and administered to realize that intent.

(1) This Plan shall be administered and interpreted to be fully compliant with 409A, even if this document fails to fully reflect all required 409A provisions and requirements, or even if its provisions are ambiguous.

(2) In connection with the preceding paragraph, if any provision of the Plan document is found to be noncompliant with Code § 409A in any jurisdiction, the provision shall be struck as void *ab initio* and a compliant provision shall be deemed substituted for the noncompliant provision, so that the substituted compliant provision may preserve, to the maximum lawful extent, the intent that this Plan shall be compliant under 409A.

(3) Any court or arbitrator taking the actions set out in the preceding paragraph shall have the authority and shall be instructed to substitute a 409A compliant provision. Provided, however, that if any noncompliance under 409A is due to a deficiency of one or more Plan terms or provisions, then appropriate terms or provisions shall be deemed to be added to cure the noncompliance, so that the addition preserves, to the maximum lawful extent, the intent that the Plan be exempt or compliant under 409A. Any such court or arbitrator shall have authority and shall be instructed to supplement the Plan document with the appropriate compliant terms or provisions.

5.6 Payment of Benefits .

Plan payments will only be made if prescribed by the terms of the Plan. To the extent that a Trust is established, Plan benefits will first be paid from the Trust. The Committee may also discontinue the Trust at any time. In all events, the rights or entitlement of any Participant or Beneficiary under this Plan shall be no greater than those of an unsecured general creditor of the Company or any Employer.

5.7 Payment to a Minor or Incompetent .

If any amount is payable under this Plan to a minor or other legally incompetent person, such amount may be paid in any one or more of the following ways, as the Committee in its sole discretion shall determine:

(a) To the legal representatives of such minor or other incompetent person;

(b) Directly to such minor or other incompetent person;

(c) To a parent or guardian of such minor or other incompetent person, to the person with whom such minor or other incompetent person shall reside, or to a custodian for such minor under the Uniform Gifts to Minors Act (or similar statute) of any jurisdiction.

(d) Payment to any person in accordance with the foregoing provisions shall pro tanto discharge each Employer, the members of the Committee, and any person or corporation making such payment pursuant to the direction of the Committee, and none of the foregoing shall be required to see to the proper application of any such payment to such person pursuant to the provisions of this Section ý5.7. Without in any manner limiting or qualifying the provisions of this Section ý5.7, if any amount is payable under this Plan to a minor or any other legally incompetent person, the Committee may in its discretion utilize the procedures described in Section ý5.7.

5.8 Doubt as to Right to Payment .

If at any time any doubt exists as to the right of any person to any payment under this Plan or the amount or time of such payment (including, without limitation, any case of doubt as to identity, or any case in which any notice has been received from any other person claiming any interest in amounts payable under this Plan, or any case in which a claim from other persons may exist by reason of community property or similar laws), the Committee shall be entitled, in its discretion, to direct that such sum be held as a segregated amount in trust until such right or amount or time is determined or until order of a court of competent jurisdiction, or to pay such sum into court in accordance with appropriate rules of law in such case then provided, or to make payment only upon receipt of a bond or similar indemnification (in such amount and in such form as is satisfactory to the Committee).

5.9 Missing Payees .

If all or portion of a Participant's vested Plan benefit becomes payable and the Committee after a reasonable search cannot locate the Participant (or his Beneficiary if such Beneficiary is entitled to payment), then, 5 years after the Participant's benefit first became payable under the Plan, a notice shall be mailed to the last known address of the Participant. If the Participant does not respond within three months, the Committee may elect, upon advice of counsel, to remove all records of the Participant's accrued benefit from the Plan's current records and that benefit shall be used to offset future employer Plan contributions, or for any other Employer purposes, as the Committee determines. If the Participant or his Beneficiary subsequently presents a valid claim for benefits to the Committee, the Committee may restore and pay a Plan benefit, if it determines such action to be appropriate.

5.10 Mistaken Payments .

No Participant or Beneficiary shall have any right to any payment made (1) in error, (2) in contravention to the terms of the Plan, the Code, or ERISA, or (3) because the Committee or its delegates were not informed of any death. The Committee shall have full rights under the law and ERISA to recover any such mistaken payment, and the right to recover attorney's fees and other costs incurred with respect to such recovery. Recovery shall be made from future Plan payments, or by any other available means.

5.11 Receipt and Release for Payments; Discharge of Liability .

(a) Any payment to any Participant, Beneficiary, or to any such person's legal representative, parent, guardian, or any person or entity specified by Section ý5.7 or under any other Plan provision, shall be in full satisfaction of all claims that can be made under the Plan against the Trustee, the Committee, any other Plan fiduciary, and each Employer. Each of these persons may require such Participant, Beneficiary, legal representative, or any other person or entity described in this Section ý5.11, as a condition precedent to such payment, to execute a receipt and release thereof in such form as shall be determined by the fiduciary or Employer.

(b) If distribution in respect of a Participant is made under this Plan in a form, or to a person, reasonably believed by the Committee or its delegate to be proper, the Plan shall have no further liability with respect to the Participant (or his spouse or Beneficiary) to the extent of such distribution.

5.12 Illegality of Particular Provisions .

The illegality of any particular provision of this Plan shall not affect the other provisions thereof, but the Plan shall be construed in all respects as if such invalid provision were omitted.

5.13 Gender and Number .

If this Plan uses any words denoting masculine gender, they shall be construed as though they were also used in the feminine gender in all applicable cases; whenever any words are used in the singular or plural form, they shall be construed as though they were also used in the other form in all applicable cases.

5.14 Headings of Sections and Articles .

The headings of Sections and Articles are included solely for convenience of reference, and if there is any conflict between such headings and the text of the Plan, the text shall control..

IN WITNESS WHEREOF, on behalf of Loral Space & Communications Inc., a Company officer or Committee member, authorized under this Plan, has executed this Plan, the Space Systems/Loral, Inc. Supplemental Executive Retirement Plan, informally known as the Loral SERP or the Loral Pension SERP, this 17th day of December 2008.

on behalf of Loral Space & Communications Inc.

By:/s/ Michael B. Targoff

Signature

Printed name: Michael B. Targoff

Title: Chief Executive Officer and President

LORAL SAVINGS

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Informally Known as the Loral Savings SERP

and also as

the Loral DC SERP or Loral 401(k) SERP

Restated to reflect

amendments

made through December 17, 2008

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INTRODUCTION

Beginning July 1, 2006, newly hired employees and certain rehired employees of Loral Space & Communications Inc. ("Loral") and its affiliates became ineligible to participate in the Retirement Plan of Space Systems/Loral, Inc., the qualified defined benefit plan sponsored by Loral. Consequently, under the terms of the Space Systems/Loral, Inc. Supplemental Executive Retirement Plan (the "Pension SERP"), they were also ineligible to participate in the Pension

SERP.

This plan, the Loral Savings Supplemental Executive Retirement Plan (the "Plan"), was established to partially substitute for the benefits provided under the Pension SERP, for those "top hat" employees hired or rehired by Loral companies on or after July 1, 2006, who are ineligible to be Pension SERP participants.

The Plan is designed to provide "excess benefits" – retirement benefits in excess of the Internal Revenue Code limits imposed on qualified defined contributions plans, such as the Loral Savings Plan. The Plan was established by Loral as an unfunded, nonqualified, deferred compensation pension plan, designed as a "top-hat" plan for a select group of management or highly compensated employees (as each of those terms is defined by the Department of Labor and the Internal Revenue Service, effective July 1, 2006). It was also designed so that its accruals would not be taxable to its participants and beneficiaries, until actually paid.

The Plan is designed as a defined contribution plan. Employer contributions are not restricted to profits of the company. The Plan may be informally known as the Loral Savings SERP, the Loral 401(k) SERP, and the Loral DC SERP.

The Plan provides for two types of contributions: Retirement Contributions and Employer Matching Contributions. Only employer contributions are permitted; no voluntary salary deferrals are allowed.

Restatements

The Plan has been restated to reflect amendments made through December 17, 2008. This restatement was principally designed to reflect the provisions of Code §409A. This restatement is effective December 17, 2008. The initial document was effective July 1, 2006. **Article 1 Definitions**

The following terms shall have the following meanings, unless a different meaning is clearly required by the context.

As this Plan is an "excess benefit" designed in conjunction with the Savings Plan, many key terms of this Plan are defined in the Savings Plan, as the Savings Plan was amended, effective July 1, 2006. Should the Savings Plan's definitions of these terms be further amended, then the identical amendments will apply to this Plan. The effective date of the defined terms' Savings Plan amendment will also be the effective date of their amendment, under this Plan.

" Account " means:

(a) the individual account or accounts established for a Participant, to track actual or deemed Contributions made on his behalf, and any earnings or losses, under Article 3.

(b) The specific Accounts provided under the Plan include the following, each of which is separately defined:

Employer Matching Contribution Account
Retirement Contribution Account

(c) Each Account will include sub-accounts, as appropriate, with respect to the various Investment Funds into which each such Account is invested.

(d) Accounts will record both deemed and actually paid Contributions, and will track the earnings and losses of both.

" Accrual Service " is "Service" measured to determine the rate of an eligible Participant's Retirement Contribution and the amount of his Employer Matching Contribution. Rules for calculating Accrual Service under this Plan are set out in Section 2.3.

" Affiliate " is defined in the Savings Plan.

" Alternate Payee " means any spouse, former spouse, child, or other dependent of a Participant who is recognized by a Qualified Domestic Relations Order, a QDRO, as having a right to receive all, or a portion of, the benefits payable under the Plan with respect to such a Participant.

" Beneficiary " means the person, trust, estate, or other entity entitled under the Plan to receive vested Plan benefits (if any) after the Participant's death.

(a) Participants may not generally designate Beneficiaries under this Plan. Instead, a Participant's normal Beneficiary will be his Spouse if he is married as of his date of death.

(b) If the Participant is not married at his date of death, then his Beneficiary will be the beneficiary or beneficiaries designated under the Savings Plan.

(c) If no Beneficiary can be determined under the preceding provisions of this definition, then a Participant's Beneficiary will be determined under the appropriate procedures set out in the Savings Plan, for determining a beneficiary, in the absence of proper Savings Plan designation.

" Board " means the Board of Directors of Loral, or any subsequent sponsor of the Plan, or the Board's Executive Committee or Compensation Committee.

" Cause " is defined in Section 4.5.

" Code " means the Internal Revenue Code of 1986, as amended from time to time, and all applicable regulations, administrative guidance, and judicial rulings.

" Committee " means the administrative body appointed to administer the Plan under Article 5. The Committee is the plan administrator.

" Company " means Loral, or its successor as Plan sponsor. The Company shall act by resolution of its Board or Executive Committee.

" Company Stock " means the common stock of an Employer or Affiliate.

" Company Stock Fund " means an Investment Fund whose principal asset is Company Stock. The Committee will have the discretionary authority to establish a Company Stock Fund with respect to the Plan, or to discontinue such a Fund, without formal Plan amendment.

" Compensation " is defined by this Plan as it is under the Savings Plan, and essentially includes only an Employee's base salary, except that:

(a) under this Plan, the dollar limitations set by Code § 401(a)(17) do not apply to the term Compensation.

" Contributions " means the contributions that are permitted to be made under this Plan.

(a) This Plan provides two different types of Contributions. These two types are distinguished as Employer Matching Contributions, and Retirement Contributions.

(b) Both types of Contributions proved under this Plan may be collectively referred to under this Plan as "Employer Contributions."

(c) No voluntary Employee contributions or salary deferrals are permitted by the Plan.

(d) Contributions are further defined in Article 3.

" Effective Date " means the date as of which the provisions of this Plan become effective. For the purpose of the

current Restatement, the Effective Date is December 17, 2008. A later Effective Date may apply to certain Employers, and their Employees, who were not participating Employers as of the general Effective Date set out in this definition. For these Employers, the "Effective Date" will mean the date as of which their adoption of the Plan and its Trust is effective (if a Trust is established).

" Employee " is defined by the Savings Plan.

" Employer " means:

(a) the Company and any other Affiliate, any division of any Affiliate, or any other affiliated entity that has adopted the Plan (or on whose behalf the Plan has been adopted), with the consent of the Company. Further, with respect to any Employee, the term "Employer" means its common-law employer. However, an Employer may never be a foreign entity.

(b) Each Employer shall act by resolution of its Board of Directors. If the Employer is a limited liability company, it shall act by resolution of its Board of Managers; if the Employer is any other entity that is not a corporation, then it shall act by resolution of the Board of Directors of either its parent corporation, managing general partner, or general partner; if such a partner is not a corporation, then by the Board of Directors of the managing general partner (or general partner) of the managing general partner (or general partner), etc.

(c) If the context of the Plan provision requires, the term "Employer" shall also include Loral.

" Employer Contribution " is a general term which includes both Retirement Contributions and Employer Matching Contributions, as each of those terms is defined under this Article 1.

" Employer Matching Contributions " are pre-tax Employer Contributions made to certain eligible Participants, under Article 3. Retirement Contributions shall not be considered to be Employer Matching Contributions.

" Employer Matching Contribution Account " means an account of a Participant established under the Plan, to which deemed and actual Employer Matching Contributions and their earnings, or losses, are credited.

" ERISA " means the Employee Retirement Income Security Act of 1974, as amended from time to time, and all applicable regulations, administrative guidance, and judicial rulings.

" FICA " refers to the Federal Insurance Contributions Act employment tax imposed on employees.

" Investment Committee " means the group of one or more persons created, at the discretion of the Board, having investment authority over Trust and/or Plan assets, as described in Section 5.9.

" Investment Fund " means one of the several investment options offered for Participants' Accounts, as described in Article 3.

" Investment Manager " means any person or company appointed under Section 5.10.

" Loral " means Loral Space & Communications Inc., or any successor Plan sponsor. Loral shall act by resolution of the Board.

" Participant " means an Employee who is eligible to participate in this Plan, and to accrue Plan benefits, because he has met the requirements of Article 2. As context demands, the term "Participant" shall also include a former Participant.

" Pension Plan " means the qualified defined benefit plan sponsored by Loral or another Employer. As of this Plan's establishment, the Pension Plan is the Retirement Plan of Space Systems/Loral, Inc. The term "Pension Plan" is intended to mean the Retirement Plan of Space Systems/Loral, Inc. and any successor plan.

“ Plan ” means this Loral Savings Supplemental Executive Retirement Plan, as amended, and as from time to time in effect.

“ Plan Sponsor ” means Loral.

“ Plan Year ” means the Plan Year of the Savings Plan.

“ Proper Application ” means, for all Plan purposes, making any election, granting any consent, giving any notice or information, and making any communication whatsoever to the Committee or its delegates, in compliance with all Plan procedures, on forms or websites provided or approved by the Committee, and providing all information required by the Committee. A Proper Application will be deemed to have been made only if it is properly completed, as determined by the Committee.

“ QDRO ” means ”Qualified Domestic Relations Order.”

“ Qualified Domestic Relations Order ” means a court order as defined in Code Section 414(p) and ERISA Section 206 (d)(3), and shall be subject to all administrative rules established under the Savings Plan. The Committee shall have full discretionary authority to determine whether any court order is a QDRO.

“ Reg. ” means Treasury Regulation Section.

“ Required Payment Date ” means the mandatory date on which Plan benefits are paid. The rules regarding the “Required Payment Date” are set out in Section 6.2 and 6.3(b).

“ Retirement Contributions ” are pre-tax Employer contributions made to certain eligible Participants, under Article 3. “Employer Matching Contributions” are not considered to be “Retirement Contributions.”

“ Retirement Contribution Account ” means an account of a Participant established under the Plan, to which deemed and actual Retirement Contributions and their earnings, or losses, are credited.

“ Savings Plan ” is

(a) the qualified defined contribution plan sponsored by Loral or another affiliated Employer, in which a Participant participates. As of this Plan’s establishment, the Savings Plan is the Loral Savings Plan, as amended. The term “Savings Plan” is intended to mean the Loral Savings Plan, and any successor plan.

(b) Should any definition in this Plan be determined by a defined term in the “Savings Plan,” or any provision of this Plan be determined by a corresponding provision in the Savings Plan, then, should this underlying Savings Plan definition or provision be amended, then the identical amendment will apply to this Plan. The effective date of the Savings Plan amendment will also be the effective date of the amendment, under this Plan.

“ Service ” is defined under the Savings Plan. However, if the Plan explicitly states that “Service” shall be defined under the Pension Plan, for certain purposes, then it shall be so.

“ Separation from Service ” :

(a) The term “Separation from Service” shall have the meaning set by Reg. §1.409A-1(h).

(b) Specifically, a Separation from Service shall be considered to occur on the date as of which the Employer and Participant reasonably anticipate that either (1) no further services will be performed, or (2) that the Participant will continue to perform services for the Employer, as either a regular employee or as an independent contractor, but that the Participant’s work schedule or bona fide level of services will permanently be less than 50% of the average schedule or level that the Participant had performed, over the previous three anniversary years.

(1) Further, a Separation from Service shall occur only if the Participant does not exceed the less-than-50% schedule that is detailed in the preceding sentence.

(c) If a Participant initially undergoes a termination of employment that does not meet the criteria of a Separation from Service, then no Separation from Service will be recognized under this Plan, until the Participant has incurred a Separation from Service that meets all the criteria of a "separation from service" as defined in Reg. §1.409A-1(h).

(1) In this event, the Plan will deem that the Participant had undergone his initial termination of employment on the date of his ultimate Separation from Service.

(2) Further, in this event, the circumstances of the initial termination of employment will determine the benefit paid under this Plan, rather than the circumstances of the ultimate "Separation from Service," should this consideration affect Plan benefits or procedures.

(d) This definition may be changed only under the rules set out in Reg. §1.409A-1(h)(1)(ii).

" Spouse " is defined as it is under the Savings Plan.

" Trust " has the same meaning as "Trust Agreement."

" Trust Agreement " is the trust document that may be established by the Company, within its discretion.

(a) If established, the Trust will be executed by the Company and the Trustee, describing the rights and liabilities of each, with respect to holding Contributions made to this Plan, and their earnings, should any such assets be held in the Trust. If established, the Trust will reflect the Company's intention that the Plan shall be an unfunded plan, as detailed in Section 8.19.

(b) If established, the Trust document shall be considered a part of this Plan.

(c) The Company intends that no Trust need be established.

" Trustee " is the trustee or trustees that may, from time to time, hold office under the Trust Agreement (if a Trust is established). As context requires, the term "Trustee" may refer to either the Plan record-keeper, or to the fiduciary with responsibility for investing and holding the Plan's assets. As clarity requires, this document shall specify whether the record-keeper or such a fiduciary shall substitute for the term "Trustee," as the term "Trustee" appears within this document.

" Valuation Date " means each business day on which the Trustee or Plan record-keeper values Accounts under the Plan. As of the Effective Date, every business day is a Valuation Date. The frequency and occurrence of the "Valuation Dates" are subject to change, as determined by the Committee or the Trustee, without formal Plan amendment.

" Vesting Service " is Service measured to determine whether a Retirement Contribution or Employer Matching Contribution has become nonforfeitable. It is measured identically to Service.

" Year of Service " is defined under the Savings Plan. However, if the Plan explicitly states that "Service" shall be defined under the Pension Plan, for certain purposes, then it shall be so.

" Year of Vesting Service " is defined under the Savings Plan. However, if the Plan explicitly states that "Service" shall be defined under the Pension Plan, for certain purposes, then it shall be so.

Article 2Eligibility for Plan Participation and Benefit Accruals

2.1 General Rules of Eligibility for Plan Participation

(a) An individual's initial eligibility to be a Participant under this Plan is conditioned on his:

(1) status as an "Employee" as that terms is defined in the Savings Plan,

(2) inability to participate in the Pension Plan because of his hire or rehire date by an Employer, and

(3) level of Compensation.

(b) Specifically, if an individual is not an active Employee, then he cannot satisfy the initial conditions for eligibility under this Plan.

(1) An employee of an Affiliate that is not an Employer cannot be a Participant, nor can Service performed for such an Affiliate be considered Accrual Service.

(c) Further, an Employee will only be eligible to be a Participant if he was:

(1) first hired by an Employer or Affiliate on or after July 1, 2006, or was

(2) rehired by an Employer or Affiliate on or after July 1, 2006, but lacked 5 full Years of Vesting Service at his initial separation from Service, and had incurred at least one but fewer than five continuous Breaks in Service (as "Years of Vesting Service" and "Breaks in Service" is each defined in the Pension Plan),

(i) so that this separation from Service caused him to lose all Service and benefit accruals with which he had been credited under the Pension Plan, prior to his first Break in Service (as "Service" and "Break in Service" are defined in the Pension Plan).

(d) No Employee will be eligible to be a Participant in this Plan, or to accrue Plan benefits with respect to any period of Service during which he is an active participant in the Pension Plan.

(1) Employer Contributions made under this Plan with respect to any Service credited as "Accrual Service" under the Pension Plan will be forfeited under this Plan.

(e) Participation in this Plan can occur only during those periods during which the Plan is in effect. This Plan is effective only as of its Effective Date.

(f) To be a Participant, an individual must meet all the preceding requirements of this Section. Additional requirements for eligibility for Plan Contributions are set out in Sections 2.2, 2.3, 2.4 and 2.5.

2.2 General Rules of Eligibility to Accrue Plan Benefits

(a) Plan Participants who meet the conditions for Plan participation set out in Section 2.1 are still ineligible to accrue Plan benefits, unless they satisfy the conditions of this Section 2.2.

(b) A Participant will accrue a Plan benefit with respect to any calendar year, only if:

(1) his benefit accrued under the Savings Plan for that calendar year was limited because his base salary from his Employer exceeded the limit of credited compensation set by Code § 401(a)(17) for that calendar year; and

(2) he has made the maximum dollar amount of voluntary contributions under the Savings Plan for that calendar year that is prescribed by Code §402(g), with respect to (1) elective pre-tax salary deferrals under Reg. §1.401(k)-1(a)(2)(I) and (2) after-tax "qualified Roth contribution program" salary deferrals under Code §402A(b).

(i) Both types of contributions shall be combined, in determining whether the maximum dollar ceiling imposed by Code §402(g) for that calendar year has been reached.

(3) In contrast, if a Plan Participant's contributions under the Savings Plan for any calendar year have been limited solely by Code § 402(g) (limiting the combined dollar amount of both (1) voluntary, pre-tax deferrals and (2) voluntary after-tax "qualified Roth contribution program" deferrals) and was not also limited by Code § 401(a)(17), then that individual will not be eligible to accrue benefits under this Plan for that same calendar year.

(c) In the event that an individual is a "highly compensated employee" as defined by Code §414(q), and his voluntary contributions under the Savings Plan are prospectively or retroactively curtailed or changed by the Committee of the Savings Plan (by limitation, distribution, or recharacterization) in connection with the nondiscrimination rules imposed on the Savings Plan, then:

(1) the individual shall be deemed to have made voluntary contributions to the Savings Plan equaling the maximum amount permitted by Code §402(g) for that calendar year, if he has in fact actually made the maximum dollar amount of voluntary salary deferrals that the Committee, in its sole discretion, determines that he is allowed to make for that calendar year. In making this determination, the Committee of this Plan may consult with or even rely upon determinations made by the Committee of the Savings Plan.

(d) Finally, the accrual of Plan Contributions and benefits for any calendar year is conditioned on the Plan's crediting Accrual Service for that calendar year, as prescribed by Section 2.3.

2.3 How Accrual Service is Credited

(a) Accrual Service under this Plan will be determined for each eligible Participant only as of December 31 of the calendar year for which a Retirement Contribution or Employer Matching Contribution is to be made.

(b) As of this December 31st calculation date, Years of Accrual Service will be determined as equal to all the Participant's credited Years of Service, as those Years of Service would be determined under the Savings Plan, as of that same December 31 date.

(c) Neither Accrual Service nor Contributions shall be credited or accrued under this Plan, for any calendar year, until December 31 of that calendar year.

(d) Thus, as of December 30 of any calendar year, a Participant will have been credited with no Accrual Service for that calendar year.

(e) Aside from the preceding provisions, Accrual Service is measured identically to Service, as "Service" is determined under the Savings Plan.

2.4 Eligibility to Accrue Employer Matching Contributions under this Plan

(a) For any calendar year, a Plan Participant will only be eligible to have Employer Matching Contributions made (or deemed to be made) on his behalf if he has, for that same year:

(1) made the maximum dollar amount of pre-tax deferrals under the Savings Plan that is permitted under Code Section 402(g),

(2) been credited with Accrual Service for that calendar year, as prescribed by Section 2.3.

(b) If a Participant has made the maximum amount of salary deferrals permitted under the Savings Plan, and yet has still failed to contribute the maximum amount to the Savings Plan permitted under Code Section 402(g) because:

(1) he was not an Employee for the full calendar year, or

(2) he made contributions to another employer's 401(k) plan, or

(3) any other reason, then

(4) the Participant will, nevertheless, be ineligible to have Employer Matching Contributions made on his behalf (or deemed to be made) under this Plan for the subject calendar year.

2.5 Eligibility to Accrue Retirement Contributions under this Plan

(a) For any calendar year, a Plan Participant will only be eligible to have Retirement Contributions made (or deemed to be made) on his behalf if he has, for that same year:

(1) been credited with Accrual Service for that calendar year, as prescribed by Section 2.3, and

(2) been an active Employee on December 31 of that calendar year.

Article 3Contributions, Benefit Formulas, and Accounts

3.1 Deemed Contributions and Notional Accounts

(a) Plan Contributions may be deemed to be made under this Plan, rather than actually made.

(b) If an Employer Contribution (either an Employer Matching Contribution or Retirement Contribution) is accrued under the Plan's benefit formula, then the Employer, in its discretion, may either make an actual Contribution, or it may deem that Contribution to have been made. This decision may be communicated to the Committee, without Board resolution, and without formal Plan amendment. The Committee will in turn direct the Trustee or record-keeper.

(c) If the Contribution is deemed to have been made, then the Trustee or Plan record-keeper will account for the Contribution in a notional Account, as if it had been made.

(1) Further details regarding the crediting of interest for notional Accounts are set out Section 3.4.

(d) All the provisions and rules of this Plan pertaining to "Contributions," "Employer Contributions," "Employer Matching Contributions," and "Retirement Contributions" apply identically to both actual and deemed Contributions. Similarly, all Plan provisions and rules pertaining to accrued benefits apply identically to both actual and deemed accrued benefits.

3.2 General Rules Concerning Contributions

(a) Only Employer Contributions are permitted under this Plan. No voluntary Employee contributions or Employee salary deferrals are permitted.

(b) Contributions under this Plan may be made in any medium, including Company Stock, within the discretion of the Committee.

(c) Contributions accrued for any calendar year shall be made or deemed to be made by the June 30 following the close of the subject calendar year.

(d) A Participant's only rights in any Plan Contribution or its earnings are those set out in this Plan.

(e) Contributions will be made by Employers only on behalf of their own Employees.

3.3 Discontinuance or Suspension of Employer Matching Contributions or Retirement Contributions under the Savings Plan; Employer's Withdrawal from Basic Plan

(a) Should any Employer Contribution under the Savings Plan (specifically the Employer Matching Contribution or the Retirement Contribution) be suspended or terminated, or should its rate or formula be changed, then the

corresponding Contribution under this Plan shall be subject to the identical and corresponding change.

(1) For example, if the rate of the Employer Matching Contributions were changed under the Savings Plan, then the Employer Matching Contribution under this Plan would undergo the identical change.

(b) This change shall occur automatically under the Plan, without formal amendment, and shall be effective with respect to the same period of Service, and as of the same date that the change is effective under the Savings Plan.

(c) Similarly, if any Employer should withdraw from the Savings Plan, then accruals under this Plan would cease, simultaneously with the cessation of accruals under the Savings Plan.

3.4 Accounting for Earnings and Losses in the Notional Accounts, and Paying Benefits from Notional Accounts

(a) Participants may make investment elections for their notional Accounts, from among the Plan's Investment Funds, through Proper Application.

(b) If a Participant fails to make Proper Application to elect an investment election, then Contributions made on his behalf will be invested in the default investment option described in Section 3.10(b).

(c) The Plan Trustee or record-keeper will account for the notional Accounts, allocating notional gains and losses according to the investment experiences of the actual Investment Funds.

(d) If deemed Contributions are made, then actual Contributions corresponding to the deemed Contributions and any gains or losses credited under this Section 3.4 will be made, no later than a date determined by the Committee, that precedes the Participant's Required Payment Date.

(e) No interest will accrue with respect to the period of time between the date that the Participant's Plan benefit is calculated, in preparation of its distribution, and the distribution date. Nor will losses be calculated during this same period.

(f) Gains and losses for deemed Contributions will be credited as of the first date that the Contributions are credited to the notional Account. This first date shall be no later than as soon as is feasible following the deadline set for making or crediting Contributions, described in Section 3.2(c).

3.5 Formula for Employer Matching Contributions

(a) The Plan's eligibility rules for Employer Matching Contributions are set out in Section 2.4.

(b) For each calendar year, Employers will make Employer Matching Contributions with respect to a certain portion of Compensation, on behalf of eligible Plan Participants, at a rate that is equal to the rate for Employer Matching Contributions set by the Savings Plan, for that year. Any changes made to the formula of Employer Matching Contributions under the Savings Plan will automatically apply to this Plan, as of the same effective date, with no formal amendment of this Plan.

(c) The amount of credited Compensation subject to Employer Matching Contributions under this Plan equals the Employee's total Compensation credited under this Plan for the calendar year, minus the maximum credited compensation permitted under Code § 401(a)(17) for that year.

(d) As of the December 17, 2008 Effective Date, the Employer Matching Contribution rate under the Savings Plan is 4% of credited compensation under the Savings Plan for the calendar year.

(1) This 4% figure is derived as follows: 66.67% X 6% = 4%.

(e) The formula for this Plan's Employer Matching Contribution is the same as that of the Savings Plan.

Accordingly, effective 2007, this Plan's Employer Matching Contribution formula is:

(1) 4% X (total Plan Compensation for calendar year minus maximum credited compensation permitted under Code § 401(a)(17) for that year.)

(f) Employer Matching Contributions made under this Plan will not be limited by Code §415.

(g) No Employee contributions or deferrals are permitted under this Plan. Instead, the Plan's Employer Matching Contribution is based on a deemed Employee Contribution.

(h) Example:

(1) A Participant under this Plan has a base salary of $300,000 in 2009. Under the Savings Plan, only $245,000 of that amount is credited as "Compensation," due to Code limits.

(2) The Participant makes $15,000 in pre-tax deferrals to the Savings Plan; and he makes $1,500 in after-tax "qualified Roth contributions." Together, these combined contributions total the maximum dollar amount set by Code §402(g) for that calendar year : $16,500. He makes no other after-tax deferrals.

(i) (This amount exceeds the first 6% of Savings Plan credited compensation that is eligible to be matched by the Savings Plan Employer Matching Contributions.)

(3) The Employer makes Employer Matching Contributions under the Savings Plan for this Participant, at a rate of 66.67% of the first 6% of Saving Plan credited compensation that the Participant has contributed as a pre-tax deferral: $9,800 (66.67 X 6% X $245,000 or 4% X $245,000)

(4) Because the Participant has made the maximum dollar amount of pre-tax and/or qualified Roth after-tax deferrals permitted under the Savings Plan and Code § 402(g) for 2009, he will be eligible for an Employer Matching Contribution under this Plan.

(5) The Plan will deem the Participant to have deferred his entire base salary, minus the portion of his compensation equal to the Code Section 401(a)(17) limit. For calendar year 2009, the Code § 401(a)(17) limit is $245,000.

(6) Therefore, the amount of deemed deferral recognized by this Plan equals $55,000 ($300,000 — $245,000).

(7) This Plan will therefore accrue an Employer Matching Contribution at the same rate in effect under the Savings Plan: 66.67% of 6% or 4%.

(8) For 2009, this Plan makes an Employer Matching Contribution on behalf of the Participant at a rate of 4% of the "deemed" deferral recognized by the Plan. The Plan Employer Matching Contributions will be $2,200 (4% X $55,000 or 4% X ($300,000 — $245,000).

(i) The Participant will accrue his Employer Matching Contributions under both the Savings Plan and this Plan. This Plan will not offset its prescribed Employer Matching Contribution, to reduce that amount by the Employer Matching Contribution made under the Savings Plan. Therefore the Employee's total Employer Matching Contributions under both plans for 2009 will be $12,000 ($9,800 + $2,200).

(j) In this example, had the Employee deferred any amount less than the Code 402(g) permitted maximum amount of $16,500 through pre-tax deferrals and/or after-tax "qualified Roth contributions" under the Savings Plan for 2009, then he would have been ineligible to receive any Employer Matching Contributions on his behalf, with respect to 2009 (subject to the special rule regarding "highly compensated employees" set out in Section 2.2(c).

3.6 Formula for Retirement Contributions

(a) The Plan's eligibility rules for Retirement Contributions are set out in Section 2.5.

(b) The formula for Retirement Contributions under this Plan will be identical to the formula for Retirement Contributions under the Savings Plan, except:

(1) The credited Compensation to which the Retirement Contributions are applied under this Plan will equal the Participant's total Compensation credited by this Plan for that calendar year, minus the maximum credited compensation permitted under Code § 401(a)(17) for that year.

(2) Any changes made to the formula of Retirement Contributions under the Savings Plan will automatically apply to this Plan, as of the same effective date, with no formal amendment of this Plan.

(c) Retirement Contributions under this Plan will not be limited by Code § 415.

3.7 Accounts Established under the Plan

(a) General rules. Accounts under the Plan shall be established in the name of each Participant or Alternate Payee. They shall record applicable Contributions made on his behalf, as well as any earnings or losses experienced with respect to the Plan assets. Subaccounts may be established within the discretion of the Trustee or record-keeper, to reflect investments within the particular Investment Funds, or to reflect whether or not Employer Matching Contributions have been made. The fact that allocations shall be made, accrued, and credited to individual Accounts shall not give the Participant any vested or other right to Plan benefits, except as expressly provided by this Plan.

(b) Plan Accounts. Further details regarding the Accounts are provided in the definitions of each, in Article 1. The principal Plan Accounts are as follows:

(1) Retirement Contribution Account

(2) Employer Matching Contribution Account.

3.8 Plan Investment Funds

(a) General rules .

(1) The Investment Funds shall be precisely those funds offered under the Savings Plan.

(i) It is intended that the Investment Funds offered under this Plan will change to mirror those of the Savings Plan, should any change in investment funds be effected under the Savings Plan. Such a change shall be made by the Committee, effective as of the effective date under the Savings Plan, without formal Plan amendment.

(2) Each Investment Fund shall include allocated assets of the Plan and/or Trust, as determined by the Trustee or record-keeper, and may also temporarily include cash or short-term investments, pending further investment.

(3) The establishment of Investment Funds may be effected by the Committee.

(4) The Plan's offering of Investment Funds is intended to meet the requirements of ERISA Section 404(c).

(b) Investment of Fund dividend or earnings . Any earnings or dividends arising from a particular Fund will be reinvested into that same Fund.

(c) Valuations . Valuations regarding all Investment Fund transactions shall be made each Valuation Day, and as set out in Plan Section 3.19, subject to the terms of the Trust (if established).

3.9 Fees and Expenses

(a) Fees deducted from Participants' Accounts . Certain Trustee and/or record-keeping fees will be deducted from the Participants' Accounts.

(b) Expenses deducted from Investment Funds .

(1) Any investment management fees and portfolio management fees and taxes, as well as certain operational expenses arising from any Investment Fund, may be allocated to the particular Investment Fund, and further allocated to an individual Participant Account. However, management fees will generally not be allocated to the Company Stock Fund.

(2) Brokerage fees and commissions may be charged to the Company Stock Funds.

(c) General rules .

(1) Any Plan expense not allocated to a Participant Account or Investment Fund shall be paid from Plan assets, to the extent that it has not been paid by an Employer.

(i) When paid from Plan assets, expenses shall generally be allocated to the appropriate Accounts or forfeiture accounts of the particular Employees or Employer, to whom the expense relates.

(ii) When paid by Employers, expenses shall generally be allocated to particular Employers, so that each Employer pays the expenses attributable to its own Employees.

(2) The amount of the fees described in this Section 3.9 and the means of payment shall be established by the Committee, without formal amendment of the Plan.

3.10 How to Select among the Investment Funds

(a) Investing future Contributions . Each Participant, upon enrolling in the Plan, may select among the Investment Funds available, with respect to the investment of his future Contributions. The record-keeper shall set procedures regarding how Proper Application for such investment directions can be made, without formal Plan amendment.

(b) Default Investment Fund . The Investment Fund designated as the default Investment Fund under the Savings Plan, will also be the designated default Investment Fund under this Plan. This default Investment Fund will service as the Fund into which Contributions, deemed Contributions and earnings will be allocated, in the event that a Participant fails to make a timely Proper Application regarding his Investment Fund selection. If the designation of the default Investment Fund is changed under the Savings Plan, then the corresponding change will be made to this Plan, and shall be effected by the Committee without formal Plan amendment, effective as of the date that the change is effective under the Savings Plan.

(c) Changing future investment elections . By making Proper Application, a Participant may also elect to change his investment direction as to future Contributions, on any business day. This change shall generally be effective as of the next pay period, or the next following.

(d) Investing forfeitures . Forfeitures may be invested in any Investment Fund, at the discretion of the Committee, the Investment Committee, or any authorized Investment Manager.

(e) Mechanical failure . Neither the Trustee, record-keeper, the Committee, nor any Employer shall be liable if any mechanical or electronic difficulty causes a failure to effect a Proper Application.

3.11 Transfers among Investment Funds – Changing Investment Selections

(a) General rules . Transfers (also termed “exchanges”) among Investment Funds may be made by making Proper Application, on any business day, subject to the further provisions of this Section 3.11. The Trustee or record-keeper may restrict transfers to 5% or some other percentage of Investment Fund or Account balances, without formal Plan amendment. The transfer will generally be effective as of the next business day.

(b) Restrictions regarding transfers between certain Stock Funds .

(1) Transfers relating to the Company Stock Fund, if established, will be set by the Committee.

(2) Under the contractual terms of certain Investment Funds, direct transfers between specific funds are not permitted. In these cases, assets must first be invested into a third fund, generally for 90 days, before the transfer to the restricted fund is made. This third fund may be the default Investment Fund described in Section 3.10(b), or any other Fund selected by the Committee, Investment Committee, or Investment Manager.

(c) Mechanical failure in effecting a transfer . Neither the Trustee, the record-keeper, nor any Employer shall be liable if any mechanical or electronic difficulty causes a failure to effect a Proper Application.

3.12 Securities Law Restrictions on “Insider” Trading

Notwithstanding the foregoing provisions of this Article, a Participant who is considered by his Employer to be an “insider” as defined by the Section 16(b) of the Securities Exchange Act of 1934 and its regulations will be subject to certain restrictions regarding his ability to transfer into and out of the Company Stock Fund. These restrictions shall be established by the Committee.

3.13 Participant’s Statements

The Committee may elect to periodically furnish to each Participant a statement of his Accounts. These statements shall be deemed to have been accepted by the Participant and his Beneficiaries as correct unless written notice to the contrary is mailed to the issuer within 30 days after the delivery of the statement to the Participant.

3.14 Discontinued Funds

In the event any existing Investment Fund is discontinued (the “Discontinued Fund”), the Committee shall provide each Participant with notice of such discontinuance. The Committee shall also provide each Participant whose Account(s) are invested in the Discontinued Fund with an election period of at least 30 days in which to elect to transfer the value of his Account(s) invested in the Discontinued Fund to any other Fund. In the event any such Participant fails to make a Proper Application with respect to such transfer, the Committee shall direct the Trustee or record-keeper to transfer the value of such Participant’s Account(s) invested in the Discontinued Fund to either the default Investment Fund described in Section 3.10(b), or the most conservative Investment Fund, or to another Fund deemed to be the closest equivalent to the Discontinued Fund, as determined by the Committee.

3.15 Effect of Transfers Between Funds

All transfers (or exchanges) between Investment Funds shall be deemed a sale of the assets which must be disposed of, and a purchase of the assets which must be purchased, to effect such transfer. In the case of a sale or purchase of interests in an Investment Fund, such interests shall be valued as of the end of day of purchase.

3.16 Purchase of and Allocation of Company Stock

(a) The shares of Company Stock from time to time required for purposes of the Plan may be purchased from the issuing Employer or Affiliate by the Trustee or the fiduciary with respect to the Plan assets. These shares may also be purchased on such stock exchange or in such other manner, as the Committee may, from time to time in its sole discretion, prescribe.

(b) If the Committee has given no direction, then Company Stock may be purchased from such source by the Trustee or the fiduciary with respect to the Plan assets, in such manner as the Trustee or such fiduciary may determine, in its sole discretion.

(c) Shares of Company Stock purchased from the issuer of the stock may be either treasury stock or newly-issued stock, and shall be purchased at the market value applicable as of the time of purchase, subject to the terms of the Trust Agreement (if established).

(d) All funds in the Accounts of Participants that become available simultaneously for investment in Company Stock may be invested simultaneously or over a period of time, but funds that become available first shall be invested first. If such funds that become available simultaneously for investment are used to purchase shares of Company Stock at more than one price, the total number of shares so purchased shall be allocated on a full or fractional share basis, or both, as the case may be, to the respective accounts of the Participants ratably, as is appropriate.

(e) The Trustee or the fiduciary with respect to the Plan assets may sell or exchange shares of Company Stock as it may determine, within its discretion. If a Participant has made Proper Application to transfer his Account balances out of the Company Stock Fund, then the Trustee or the fiduciary with respect to the Plan assets may treat these shares as having been purchased by it at the market value of Company Stock effective as of the transaction.

(f) Notwithstanding any contrary Plan provision, the Trustee or the fiduciary with respect to the Plan assets shall not invest any Participant's Account balance in any shares of Company Stock, unless at the time of the stock purchase, the shares are listed on either the New York Stock Exchange or NASDAQ.

(g) The shares of Company Stock held with respect to the Plan shall be registered in the name of the Plan record-keeper, or the Trustee or its nominee (if a Trust is established), but shall not be voted by any such entity except as provided in this Article.

(h) In the sole discretion of the Trustee or the fiduciary with respect to the Plan's assets, investments in Company Stock in respect of the Accounts of more than one Participant, may be represented by a single certificate.

(i) In the event that any option, right or warrant shall be received by the Trustee or the fiduciary with respect to the Plan's assets on Company Stock to the credit of one or more Participants' Accounts, then that entity shall sell the same, at public or private sale and at such price and upon such other terms as it may determine, and credit the proceeds thereof to the respective Accounts of such Participants, ratably in accordance with their interests therein, unless the Committee shall determine that such option, right or warrant should be exercised, in which case the Trustee or other fiduciary shall exercise the same upon such terms and conditions as the Committee may prescribe.

3.17 Voting of Company Stock

(a) The fiduciary with respect to the Plan's assets (which shall be the Trustee, if a Trust is established), or such an entity's nominee, shall be entitled to vote, and shall vote, shares of Company Stock that are in the Accounts of Participants or are otherwise held by the fiduciary under the Plan, under the rules of this Section.

(b) Such a fiduciary shall adopt reasonable measures to notify the Participant of the date and purposes of each meeting of stockholders of the issuer of Company Stock at which stockholders are entitled to vote, and to request instructions from the Participant to the fiduciary as to the voting at such meeting of full shares of Company Stock and fractions thereof in any Account of the Participant.

(c) In each case, the fiduciary, itself or by proxy, shall vote full shares of Company Stock and fractions thereof in such Account or Accounts of the Participant in accordance with the instructions of the Participant.

(d) If before such a meeting of Company Stock stockholders, the fiduciary has not received instructions from a Participant regarding how to vote his shares of Company Stock, or if the fiduciary otherwise holds shares of

Company Stock under the Plan, the fiduciary shall vote these Company Stock shares proportionately in the same manner as the fiduciary votes the aggregate of all shares of Company Stock, with respect to which the fiduciary has received instructions from Participants.

(e) Notwithstanding the preceding provisions of this Section 3.17, if a Trust is established then the provisions of this Section 3.17 will be subject to the terms of the Trust.

(f) Any instructions as to voting given by Participants under this Section shall be confidential and shall not be divulged by any Plan fiduciary to anyone, including the Company, any other Employer or any director, officer, employee or agent of the Company, any other Employer or any person making an offer or soliciting proxies or any of their agents (except persons retained by the fiduciary to carry out its duties in that regard). It is the intent of this provision to ensure that the Company and any other Employer (and directors, officers, employees and agents and such other persons) cannot determine the instructions made by any Participant.

(g) Shares of Company Stock may be tendered by the Trustee as set out in the Trust Agreement.

3.18 Employer's Payments of Contributions with respect to Company Stock

(a) Actual payments of Contributions made with respect to the Plan shall be made as set out in Section 3.4(d).

(b) Each Employer shall make payments to the Trustee or fiduciary with respect to Plan assets as any such entity may require, in connection with the Plan's acquisition of Company Stock under this Article 3.

3.19 Valuation of the Investment Funds

The record-keeper shall determine on each Valuation Date, in accordance with generally accepted valuation methods and practices, the fair market value of the Plan assets and deemed assets allocated to each Investment Fund, and each Account. The record-keeper shall credit income, dividends, expenses, and realized and unrealized gains and losses for the appropriate period. In making its valuations of the Investment Funds and the Accounts, the record-keeper shall have the absolute right to rely on the valuations of units of participation in any Investment Fund, or the underlying investments of any Investment Fund, furnished by any appropriate fiduciary or fund manager.

3.20 Effect of Valuations

The record-keeper's valuations of any Investment Fund under this Article 3, and its determination of the value of the Participants' Accounts based thereon shall be conclusive and binding upon the Employer, the Committee, and all Participants and their respective Beneficiaries.

3.21 No Liability for Fluctuations in Value

The benefits provided by this Plan shall be payable solely from the Trust, if it is established. Alternatively, Plan benefits shall be payable from the general assets of each Employer (with respect to that Employer's employees who are Participants eligible for benefit payment, under this Plan). Each Participant and all persons who may derive rights under this Plan through or from a Participant are hereby charged with actual notice that all Accounts will increase or decrease in value from time to time as the assets of the Investment Fund fluctuate in value. The fact that a particular amount was credited to a Participant's Account at some time is no assurance that such amount will ultimately be distributable hereunder and neither the Employer, the Committee, the Investment Committee (if any), the Trustee, nor any Investment Manager, guarantees in any way that the amount ultimately distributable to or on behalf of any Participant will be equal to any amount at any time credited to such Participant's Account. Each Participant, by electing to participate in the Plan, assumes the risk of possible declines in the market value of his Account.

3.22 Corrective Adjustments to Accounts

(a) If an adjustment to any Participant's Account is required to correct any error (such as an incorrect payroll deduction or an incorrect allocation of any Contribution) or for any other reason, such an adjustment shall be made as soon as administratively feasible after the Committee first learns of the circumstances which require adjustment. Any such adjustment shall be made in accordance with the Plan characteristics (including, but not limited to, the price of assets, stock shares and units of Investment Funds) in effect during the months in which the adjustment is actually made to the Participant's Account, except that adjustments of Employer Matching Contribution and Retirement Contribution Account contributions shall be at the rate(s) in effect during the month(s) in which the error occurred. No adjustment shall be made for any interest, dividend or other gain or loss not realized because of a delay in Contributions.

Article 1 **Article 4** **Vesting and Forfeitures**

4.1 Vesting Defined

(a) "Vesting" means the right of a Participant to have a nonforfeitable interest in his accrued Plan Accounts. An "unvested" Participant's rights are forfeitable. A "vested" Participant's rights are not forfeitable.

4.2 Initial Vesting Requirements

(a) A Participant shall be initially entitled to a benefit under this Plan only after satisfying the initial vesting requirements set out in this Section 4.2. Continued vesting under the Plan after a Participant's Required Payment Date is subject to the provisions of Section **4.4** .

(b) To be initially vested in any Contribution, and its attendant earnings under this Plan, a Participant must:

(1) have incurred a Separation from Service,

(2) meet the requirements for Plan participation eligibility, under Section 2.1,

(3) meet the requirements for Plan accrual eligibility, under Section 2.2, and

(4) have completed 10 full Years of Vesting Service, subject to the exceptions set out in Sections 4.3(b) and 4.3(c).

4.3 Special Vesting Rules

(a) Top-heavy vesting . Vesting rules imposed by the Savings Plan with respect to Code Section 416 shall not apply to this Plan. Savings Plan vesting changes made on account of Code § 416 shall not cause any corresponding change in this Plan.

(b) Vesting upon death or disability . A Participant who dies while in active service will become immediately vested in his Plan benefits, as he would under the Savings Plan, subject to Section **4.4** . However, a Participant's disability will not accelerate his vesting, under this Plan.

(c) Vesting if hired at age 60 or more . If a Participant is hired on or after his 60th birthday, then he shall satisfy the service requirement of Section 4.2(b)(4) by completing 5 full Years of Eligibility Service, rather than the 10 Years that is generally required under that Section.

(d) Vesting if maximum salary deferrals were not made under Savings Plan . Periods during which a Participant has not made the maximum level of voluntary salary deferrals permitted under Code §402(g) under the Savings Plan will nevertheless be counted by this Plan, under Section 4.2(b)(4), for the purpose of crediting Years of Vesting Service.

4.4 Forfeiture after Plan Benefits have Commenced .

(a) Notwithstanding any contrary Plan provision, and notwithstanding any initial vesting determination that may

have been made with respect to any Participant under Section 4.2, all Plan Participants are subject to forfeiture of their Plan benefits after their Required Payment Dates have occurred, under this Section 4.4.

(b) Forfeiture will occur under this Section 4.4 if the Committee determines that the former Participant's actions, either before or after his Required Payment Date, constitute Cause.

(c) Such a forfeiture shall be effective as of the date that the events of forfeiture have occurred, as determined within the sole discretion of the Committee. The Committee may therefore make a retroactive forfeiture determination. Any Plan benefits that have been paid after the effective date of the retroactive forfeiture determination shall be subject to the same procedures accorded to a mistaken payment under Section 8.9.

(d) A forfeiture under this Section 4.4 will apply to future Plan benefits and benefits that have been previously paid, including death benefits under Section 6.3.

4.5 Cause .

(a) Cause means the Participant's or former Participant's:

(1) conviction, or having pled guilty or *nolo contendere* to any felony or any other crime that would have constituted a felony under the laws of the state in which the Plan sponsor is headquartered

(2) having been indicted for any felony, or any other crime that would have constituted a felony under the laws of the state in which the Plan sponsor is headquartered, in connection with the Participant's employment with any Employer

(3) having breached any material provision of any noncompetition, nonsolicitation or confidentiality agreement with any Employer

(4) having committed any fraud, embezzlement, theft, misappropriation of funds, malicious destruction of an Employer's property, breach of fiduciary duty, improper disclosure of an Employer's trade secrets or any other wrongdoing against any Employer, provided that any such commission was material

(5) having engaged in any willful misconduct resulting in or reasonably likely to result in a material loss to any Employer or substantial damage to its reputation, or

(6) having willfully breached in any material respect any material provision of his Employer's Code of Conduct and, to the extent any such breach is curable, the Participant has failed to cure such breach within ten (10) days after written notice of the alleged breach is provided to the Participant.

4.6 Stock or Asset Sale Causing Plan Forfeiture

(a) In the event that an entity that had been an Employer under this Plan is no longer within the controlled group (as defined by Code §414(b)) of the Plan sponsor on account of a stock or asset sale, then that entity will cease to be an Employer under this Plan, as of the effective date of the sale.

(b) Consequently, all Participants under this Plan who are employees of the former Employer will forfeit their Plan benefits.

4.7 Additional Events of Forfeiture

(a) Additional events giving rise to forfeiture of Plan benefits are described in Sections 2.1(d)(1) and 8.9.

4.8 Determinations by the Committee .

The Committee shall have full, final, and discretionary authority to make determinations under this Article 4. Any

forfeiture determination made by the Committee shall be final, binding, and conclusive upon all affected Participants and their Beneficiaries.

4.9 Conditions for Payment Eligibility .

Notwithstanding the provisions of this Article 4, no Plan payment will be made to any Participant or Beneficiary, unless the conditions of Section 6.4 have been satisfied.

Article 5Plan Administration

5.1 Committee's Discretionary Power to Interpret and Administer the Plan

(a) Appointment . The Committee, consisting of one or more persons, shall be appointed from time to time by the Board to serve at its pleasure. Any member of the Committee may resign by delivering his written resignation to the Board. Any member of the Committee who ends his service as a common-law employee of any Employer or Affiliate, shall simultaneously cease to be a Committee member.

(b) Role under ERISA . The Committee is the "named fiduciary" for operation and administration of the Plan, and the "administrator" under ERISA. The Committee is designated as agent for service of legal process.

(c) Committee establishes Plan procedures . The Committee and its delegates shall from time to time establish rules and procedures for the administration and interpretation of the Plan and the transaction of its business.

(d) Role of Human Resource and Benefits personnel . Employees of an Employer who are human resources personnel or benefits representatives are the Committee's delegates and shall, under the authority of the Committee, perform the routine administration of the Plan, such as distributing and collecting forms and providing information about Plan procedures.

(e) Discretionary power to interpret Plan .

(1) The Committee has complete discretionary and final authority to (1) determine all questions, including factual questions, concerning eligibility, elections, forfeitures, and benefits under the Plan, (2) construe all terms under the Plan and the Trust, including any uncertain terms, and (3) determine all questions concerning Plan administration. All administrative decisions made by the Committee, and all its interpretations of the Plan documents, shall be given full deference by any court of law.

(2) Information that concerns an interpretation of the Plan or a discretionary determination, can be properly provided only by the Committee, and not by any delegate (other than legal counsel).

(3) Should any individual receive oral or written information concerning the Plan, which is contradicted by a subsequent determination by the Committee, then the Committee's final determination shall control.

5.2 Rules and Powers of the Committee

(a) Any act which the Plan authorizes or requires the Committee to do may be done by a majority of its members. The action of a such majority shall constitute the action of the Committee and shall have the same effect for all purposes as if made by all members of the Committee at the time in office. The Committee may act without any writing that records its decisions, and need not document its meetings or teleconferences. The Committee may also act through any authorized representative. The Committee may appoint one or more Investment Managers.

(b) The majority of the Committee may authorize one or more of their number to execute or deliver any instrument, make any payment or perform any other act which the Plan authorizes or requires the Committee to do.

(c) The Committee may employ counsel and other agents and may procure such clerical, accounting, actuarial and other services as they may require in carrying out the provisions of the Plan. Legal counsel are authorized as the Committee's delegates.

(d) No member of the Committee shall receive any compensation for his services as such.

(e) The majority of the Committee may delegate Committee responsibilities among Employer directors, officers, or employees, and may consult with or hire outside experts.

(f) All expenses of administering the Plan, including, but not limited to, fees of accountants, counsel and actuaries shall be paid as prescribed by Section 3.9.

(g) To the extent that either the Investment Committee and or an Investment Manager is appointed, then the Committee is relieved of responsibility and liability with respect to Plan investments. To the extent that either the Investment Committee and or an Investment Manager is appointed, then the Committee shall not be the fiduciary with respect to the investment of Plan assets, notwithstanding its administrative, informational, or operational duties regarding the Investment Funds.

5.3 Claims Procedure

(a) The Committee shall determine Participants' and Beneficiaries' rights to benefits under the Plan. In the event that a Participant or Beneficiary disputes an initial determination made by the Committee, then he may dispute the determination only by filing a written claim for benefits.

(b) If a claim is wholly or partially denied, the Committee shall provide the claimant with a notice of denial, generally within 90 days of receipt, written in a manner calculated to be understood by the claimant and setting forth:

(1) The specific reason(s) for such denial;

(2) Specific references to the pertinent Plan provisions on which the denial is based;

(3) A description of any additional material or information necessary for the claimant to perfect the claim with an explanation of why such material or information is necessary (if applicable); and

(4) Appropriate information as to the steps to be taken if the claimant wishes the Committee to revise its initial denial. The notice of denial shall be given within a reasonable time period but no later than 90 days after the claim is received, unless circumstances require an extension of time for processing the claim. If such extension is required, written notice shall be furnished to the claimant within 90 days of the date the claim was received, stating that an extension of time is required, and providing the date by which a decision on the claim can be expected, which shall be no more than 180 days from the date the claim was received.

(5) If no written notice of denial is provided by the Committee, then the claim shall be deemed to be denied, and the claimant may appeal the claim as though the claim had been denied.

(c) The claimant and/or his representative may appeal the denied claim and may:

(1) Request a review by making a written request to the Committee provided that such a request is made, within 60 days after receiving notice of the denied claim;

(2) Review pertinent documents.

(d) Upon receipt of a request for review or appeal, the Committee shall within a reasonable time period but not later than 60 days after receiving the request, provide written notification of its decision to the claimant stating the specific reasons and referencing specific plan provisions on which its decision is based, unless special circumstances require an extension for processing the review. If such extension is required, written notice shall be furnished to the claimant within 60 days of the date the request for review was received, stating that an extension of time is required, and providing the date by which an appeal decision can be expected, which shall

be no more than 120 days from the date the request for review was received.

(e) In the event of any dispute over benefits under this Plan, all remedies available to the disputing individual under this Article must be exhausted, within the specified deadlines, before legal recourse of any type is sought.

5.4 QDRO Claim

Claims relating to a domestic relations order as defined by Code § 414(p) or a draft QDRO, shall be determined under the Savings Plan's procedures concerning domestic relations orders. The claims procedure described in the preceding section shall not apply to any such domestic relations order claim.

5.5 Indemnification of Fiduciaries; No Personal Liability

(a) To the fullest extent permitted by law, each Employer agrees to indemnify, to defend, and hold harmless the members of the Investment Committee (if created) and the Committee and its delegates, individually and collectively, against any liability whatsoever for any action taken or omitted by them in good faith in connection with this Plan or their duties hereunder and for any expenses or losses for which they may become liable as a result of any such actions or non-actions unless resultant from their own willful misconduct; and each Employer will purchase insurance for the Investment Committee and the Committee and their delegates to cover any of their potential liabilities with regard to the Plan.

(b) No Committee member or delegate shall be personally liable by reason of any contract or other instrument executed by him or on his behalf in his capacity as a member or delegate of a Committee nor for any mistake of judgment made in good faith, and each Employer shall indemnify and hold harmless each member of the Committee and each other officer, employee, or director of any Employer to whom any duty or power relating to the administration or interpretation of the Plan may be allocated or delegated, against any cost or expenses (including counsel fees) or liability (including any sum in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud or bad faith.

5.6 Power to Execute Plan and Other Documents

The members of the Committee and officers of the Company shall have the authority to execute governmental filings or other documents relating to the Plan (including the Plan document), or this authority may be delegated to another officer or employee of an Employer by either the Board or the Committee.

5.7 Conclusiveness of Records

In administering the Plan, the Committee may conclusively rely upon any Employer's payroll and personnel records maintained in the ordinary course of business.

5.8 Power to Amend, Suspend, Terminate, or Withdraw from the Plan

(a) General power to amend . The Board may, subject to the restrictions set out in this Section 5.8, amend the Plan in any respect, or suspend or terminate the Plan in whole or in part without the consent of any Participant or Beneficiary or any Employer whose employees are covered by this Plan. Any such amendment, suspension or termination may be made with or without retroactive effect, except as explicitly restricted by this Section 5.8.

(b) Right to withdraw as participating Employer . Any Employer may withdraw from its participation in the Plan, at any time. Prior to the date that it validly effects its withdrawal, each Employer shall be fully subject to the terms of the Plan. An Employer which ceases to be part of the Plan sponsor's 80% controlled group under Code §414(b) will be considered to have withdrawn as a participating Employer, and the Plan benefits of its employees shall be forfeited.

(c) No retroactive cut-back of accrued benefits . Notwithstanding any other provision of this Section 5.8, this Plan

may not be amended or terminated in any respect that has the effect of reducing or eliminating any Plan benefit that had accrued as of the effective date of the amendment or termination, unless the affected Participant or Beneficiary gives his written consent. That is, there shall be no retroactive cut-backs of accrued Plan benefits, without individual written consent. This prohibition against the retroactive cut-backs of accrued benefits will fully apply to any accrued Contributions and earnings that have only been deemed to have been made or earned.

(1) The Committee has discretionary authority as to what constitutes an "accrued benefit" under this paragraph, and shall not be obliged to adopt the definition of Code §411(d)(6).

(d) Plan amendments or withdrawals taking effect by December 31 .

(1) If this Plan is to be amended, terminated, or its Contributions are to be suspended, or if a participating Employer is to withdraw from the Plan, then any Employer's action to effect this change must be taken by December 31 of that calendar year, in order to be effective for that calendar year, for reasons explained in Section 2.3.

(e) Restrictions on amendments, set by Code §409A .

(1) Any amendment of the defined term "Separation from Service" must satisfy the timing rules for such an amendment set out in Reg. §1.409A-1(h)(1)(ii).

(2) Any amendment of the definition of Required Payment Date will affect only those Plan accruals earned in the service period beginning after the change is adopted.

(f) Amendment of this Plan on account of Savings Plan amendment . As set out in Section 3.3 and Article 1, if certain amendments are made to the Savings Plan, then a corresponding amendment will automatically be made to this Plan, effective as of the same date as the Savings Plan amendment.

5.9 Investment Committee

(a) Appointment of Investment Committee . The Board may, within its discretion, appoint an Investment Committee, of at least one person. The appointment of an Investment Committee shall relieve the Committee, Board, Company, and all other participating Employers from all fiduciary responsibility for all Plan assets under the control of the Investment Committee, to the fullest extent provided by law.

(b) If established, the Investment Committee shall exclusively hold all powers regarding the selection of Investment Funds and the default Investment Fund, that are delegated to the Committee, under this Plan or the Trust.

(c) The Investment Committee, if it is created by the Board, shall be a fiduciary of the Plan, but shall not be the "named" fiduciary, as that term derives under ERISA. The Board may also, within its discretion, decline to create an Investment Committee, or disband it at any time. Any member of the Investment Committee who ends his service as a common-law employee of any Employer or Affiliate, shall simultaneously cease to be an Investment Committee member.

(d) Powers of the Investment Committee . The Investment Committee, if appointed, has the sole and final authority regarding the investment and management of Plan assets, under and subject to the terms of this Plan and the Trust (if the Trust is established). The Investment Committee may delegate its responsibilities, appoint Investment Managers, oversee its delegates, and each Investment Committee member may execute documents on behalf of the Investment Committee, with respect to Plan assets.

(e) Any act which the Plan or Trust authorizes or requires the Investment Committee to do may be done by a majority of its members. The action of such a majority shall constitute the action of the Investment Committee and shall have the same effect for all purposes as if made by all members of the Committee at the time in office.

The Investment Committee may act without any writing that records its decisions, and need not document its meetings or teleconferences. The Investment Committee may also act through any authorized representative.

(1) The majority of the Investment Committee may authorize one or more of their number to execute or deliver any instrument, make any payment or perform any other act which the Plan authorizes or requires the Investment Committee to do.

(2) The Investment Committee may employ counsel, outside experts, and other agents and may procure such clerical, accounting, actuarial and other services as they may require in carrying out the provisions of the Plan.

(3) No member of the Investment Committee shall receive any compensation for his services as such. All expenses relating to the Investment Committee's activities, including, but not limited to, fees of accountants, counsel and actuaries shall be paid by as prescribed by Section 3.9(c).

5.10 Investment Manager

(a) The Committee, the Board, or the Investment Committee (if any) may, within its discretion, appoint an Investment Manager, as that term is defined under ERISA, who shall have authority over the investment of that portion of the Plan assets, over which it is given control.

(b) If appointed, the Investment Manager shall exclusively hold all powers regarding the selection of Investment Funds that are delegated to the Committee, or to the Investment Committee, under this Plan or the Trust, with respect to Plan assets under its control.

(c) The appointment of an Investment Manger shall relieve the Committee, Board, Company, and all other participating Employers from all fiduciary responsibility for all Plan assets under the control of the Investment Manager, to the fullest extent provided by law.

Article 6Payment of Benefits

6.1 General Rules for the Payment of Plan Benefits

(a) General rules . Plan payments will only be made if prescribed by the terms of the Plan. The principal rules for Plan payments are set out in this Article 6 and Article 8.

(b) Medium of distribution . Plan benefits will be payable only in cash, in a single lump sum.

(c) Vesting is a condition of payment . Benefits under this Plan will be payable only to a vested Participant, or to the Beneficiary of a vested Participant.

6.2 Required Payment Date .

(a) Every vested Participant must receive his Plan benefit on his Required Payment Date.

(b) The Required Payment Date is any day falling in the 90-day period immediately following the later of: (1) the day that the Participant reaches age 55, or (2) the day that is six months after the date of the Participant's Separation from Service.

(c) The Participant will have no power or authority to select the start date of the Plan benefit within the 90-day period; this determination shall be solely within the discretion of the Committee.

(d) The Required Payment Date cannot be delayed or accelerated. It is a mandatory payment date. Participants shall not be given any election or power to change the timing of this date.

6.3 Payments to a Beneficiary .

(a) If a Participant dies while in active service, or before his vested Plan benefits have been distributed, then his unpaid accrued Plan benefit will be paid to his Beneficiary.

(b) The Required Payment Date for a Beneficiary will be a day that falls during the 90-day period immediately following the Participant's date of death.

(c) The Beneficiary will have no power or authority to select the start date of the Plan benefit; this determination shall be solely within the discretion of the Committee.

(d) If the Committee requires the Beneficiary to make Proper Application to receive the benefit under this Section 6.3, it shall set deadlines by which the proper Application must be completed. Should the Beneficiary fail to meet those deadlines, then the Committee has the discretion to determine the Plan benefit forfeited, in order to preserve the mandatory payments dates set under Section (b).

6.4 FICA and Other Tax Withholding

(a) After a Participant becomes initially vested in his accrued Plan benefit, under Section 4.2 or 4.3(b), his Employer may (or the Company may, on behalf of the Employer), within the Employer's or the Company's sole discretion, remit to the appropriate tax authorities an amount, sufficient in the Committee's sole discretion to satisfy all FICA, federal, and other tax or withholding tax requirements imposed on the Participant or his Beneficiary, that are related to the accrued Plan benefit.

(b) If the Participant is actively employed as of the initial vesting date determined under Section 4.2, then an amount equal to any withholding amount that is paid by the Employer or Company under Section Article 6(a) may, within the sole discretion of the Employer, be deducted from the Participant's compensation, ratably over a period of 12 continuous months, beginning with the date of vesting. These deductions, if made, will be retained by the Employer, as reimbursement for the payment made under Section Article 6(a).

(c) To the extent that any portion of the amount paid under Section Article 6(a) has not been reimbursed to the Employer by the Participant's or his Beneficiary's Required Payment Date, then that unreimbursed portion shall be deducted from benefits payable under this Plan, and shall be retained by the Employer as reimbursement. The provisions of this paragraph shall apply under all circumstances, without regard to the reason why full deductions were not made from the Participant's compensation.

(d) Alternatively, the Committee may require, upon a Participant's becoming fully vested under Section 4.2 or 4.3 (b), as a condition of the Plan's ultimate payment of benefits, that the Participant or Beneficiary remit to the Company an amount, sufficient in the Committee's sole discretion to satisfy all FICA, federal, and other tax or withholding tax requirements imposed on the Participant or his Beneficiary, related to the accrued Plan benefit.

(e) The Committee's request for any payment from a Participant or Beneficiary will be subject to a deadline set by the Committee. Should the Participant or Beneficiary fail to meet the deadline, then the Committee has the discretion to determine the Plan benefit forfeited, in order to preserve the mandatory payments dates set under Sections 6.2 and 6.3(b).

(f) The Committee hereby specifically delegates to the Trustee or paying agent the responsibility to be liable for income tax withholding, and to withhold the appropriate amount from any payment made under the Plan, in accord with the provisions of applicable law and regulation, and under the preceding provisions of this Section 6.4.

6.5 Loans .

(a) No loans are permitted under this Plan.

6.6 Withdrawals

(a) No in-service withdrawals, including hardship withdrawals, are permitted under this Plan.

6.7 No Automatic Rollovers .

Payments under this Plan shall be administered without regard to Code Section 401(a)(31). Accordingly, no mandatory rollovers of any Plan payments to an IRA need ever be made under this Plan.

Article 1 **Article 7** **The Trust**

7.1 Trustee

(a) As set out in the definition of "Trust," in Article 1, the Board has full discretion as to whether or not a Trust will be established under this Plan. The provisions of this Article 7 shall apply only in the event that a Trust is established, and are effective only for any period during which a Trust is established.

(b) The Company may appoint one or more individuals or corporations to act as Trustee under the Plan, and at any time may remove the Trustee and appoint a successor Trustee. The Company may, without reference to or action by any Employee, Participant or Beneficiary or any other Employer, enter into such Trust Agreement with the Trustee and from time to time enter into such further agreements with the Trustee or other parties, make such amendments to such Trust Agreement or further agreements and take such other steps that the Company in its sole discretion may deem necessary or desirable to carry the Plan into effect or to facilitate its administration.

(c) The Trustee and the Company may by mutual agreement in writing arrange for the delegation by the Trustee to the Committee of any of the functions of the Trustee, except the custody of assets, the voting of Company Stock held by the Trustee, and the purchase and sale or redemption of securities.

7.2 General Rules Regarding the Trust

(a) The Company may maintain a Trust in order to implement and carry out the provisions of the Plan and to finance the benefits under the Plan, by entering into one or more Trusts. The Trust is a part of this Plan, and all rights which may accrue to any person under this Plan shall be subject to all the terms and provisions of the Trust.

(b) The Trust shall separately account for the Contributions made by or on behalf of each separate Employer, and also separately account for Contributions made by the Loral Skynet division.

(c) All benefits payable under the Plan shall be paid under the Trust Agreement.

7.3 Common Trust Funds

The Plan adopts and includes the provisions of any group or common trust fund in which the Trust participates.

Article 8

General Provisions

8.1 Effective Date of Plan Provisions

All Plan provisions are effective as of the Effective Date, unless the Plan specifically provides for a different effective date.

8.2 No Alienation or Assignment

Except as explicitly provided in this Article 8, all interests in this Plan, whether vested or not, of any Participant, former Participant or Beneficiary, shall not be subject in any manner to the debts or other obligations of the person

to whom they are payable and shall not be subject to transfer, anticipation, sale, assignment, alienation, bankruptcy, pledge, attachment, charge, or encumbrance in any manner, either voluntarily or involuntarily; including but not limited to execution, sequestration, or other legal or equitable process, or transferability by operation of law in the event of bankruptcy, insolvency, or otherwise. The sole exceptions to the preceding provisions of this Section 8.2 are that rights under this Plan may be transferred by will, by the laws of descent and distribution, or under a court-issued domestic relations order.

8.3 QDROs

(a) The provisions of Section 8.2 shall not prevent the creation or assignment of any individual's right to a benefit payable with respect to a Participant, pursuant to a Qualified Domestic Relations Order (QDRO).

(b) The procedures applicable to qualified domestic relations orders under the Savings Plan shall fully apply to this Plan.

(c) Should any court order be issued after a Participant's or Alternate Payee's death, it will be considered a QDRO only if it (1) relates to and reflects an earlier order issued before death, and (2) meets the QDRO requirements.

(d) The Committee shall have final, discretionary authority to administer and interpret any QDRO, including any uncertain terms, and to determine whether any order is a QDRO, or whether any draft order meets the QDRO requirements .

8.4 Plan Not Employment Contract

This Plan does not constitute a contract to employ, nor a consideration for the employment of any person. It does not give to any person the right to be continued in employment; and all Participants remain subject to change of salary, transfer, change of job, discipline, layoff, discharge or any other change of employment status.

8.5 Governing Law, Code §409A, and Construction of this Plan Document

(a) It is intended that the Plan conform to and meet the applicable requirements of ERISA and the Code. Except to the extent preempted by ERISA, the validity of the Plan or of any of its provisions shall be determined under, and it shall be construed and administered according to, the laws of the state of Plan sponsor's headquarters (including its statute of limitations provisions, and all substantive and procedural law, and without regard to its choice of laws provisions).

(b) This Plan is intended to conform to the Code, and shall be interpreted and administered accordingly.

(c) This Plan is intended to be compliant with Code §409A ("409A"). The Plan shall be interpreted and administered to realize that intent.

(1) This Plan shall be administered and interpreted to be fully compliant with 409A, even if this document fails to fully reflect all required 409A provisions and requirements, or even if its provisions are ambiguous.

(2) In connection with the preceding paragraph, if any provision of the Plan document is found to be noncompliant with Code § 409A in any jurisdiction, the provision shall be struck as void *ab initio* and a compliant provision shall be deemed substituted for the noncompliant provision, so that the substituted compliant provision may preserve, to the maximum lawful extent, the intent that this Plan shall be compliant under 409A.

(3) Any court or arbitrator taking the actions set out in the preceding paragraph shall have the authority and shall be instructed to substitute a 409A compliant provision. Provided, however, that if any noncompliance under 409A is due to a deficiency of one or more Plan terms or provisions, then appropriate terms or provisions shall be deemed to be added to cure the noncompliance, so that the addition preserves, to the maximum lawful extent, the intent that the Plan be exempt or compliant under 409A. Any such court or

arbitrator shall have authority and shall be instructed to supplement the Plan document with the appropriate compliant terms or provisions.

8.6 Gender and Number

Whenever any words are used in this Plan in the masculine gender, they shall be construed as though they were also used in the feminine gender, whenever this would be appropriate. Similarly, whenever any words are used in the singular or plural form, they shall be construed as though they were also used in the other form, whenever appropriate.

8.7 Headings of Sections and Articles

The headings of Sections and Articles are included solely for convenience. They are not intended to define, limit, or aid in the interpretation of the text which they head.

8.8 Illegality of Particular Provisions

The illegality of any particular provision of this Plan shall not affect any other Plan provisions, and the Plan shall be construed in all respects as if the invalid provision were omitted.

8.9 Mistaken Payments

(a) No Participant or Beneficiary shall have any right to any payment made

(1) in error

(2) in contravention to the terms of the Plan, the Code, or ERISA or

(3) because the Committee or its delegates were not informed of any death.

(b) The Committee shall have full rights under the law and ERISA to recover any such mistaken payment, and the right to recover attorney's fees and other costs incurred with respect to such recovery. Recovery shall be made from future Plan payments, or by any other available means.

8.10 Receipt is Release for Payments and Claims

Any payment made under this Plan to any Participant, Beneficiary, or to any representative, guardian or any other person or entity acting on behalf of such a recipient under Section 8.15 or any other Plan provision, shall fully satisfy all rights and claims arising under this plan against the Trustee, Committee, any other Plan fiduciary, and the Employer. The Committee and the Trustee may require any such Participant, Beneficiary or representative described in Section 8.15 or any other Plan provision, as a condition precedent to such payment, to execute a receipt and release from all claims and liability, in any form required by the Trustee or the Committee.

8.11 Missing Participant or Beneficiary

(a) The Committee shall make all reasonable attempts to determine the identity and address of a Participant or Beneficiary who is entitled to payment under the Plan.

(1) For this purpose, a reasonable attempt means (a) mailing by certified mail of a notice to the distributee's last known address, shown on the Employer's or the Committee's records, and (b) notification sent to the Social Security Administration (under its program to identify payees under retirement plans).

(b) If after a reasonable attempt the Committee cannot locate the Participant or Beneficiary, then, 5 years after the benefit first became payable under Article 6, a notice may again be mailed to the last known address of the Participant. If the Participant does not respond within three months, the Committee may elect, upon advice of

counsel, to remove all records of the Participant's Accounts from the Plan's current records, and the former Account balances shall be used to offset future Employer Contributions, or for any other Employer purpose, as the Committee shall determine. If the Participant or his Beneficiary subsequently presents a valid claim for benefits to the Committee, the Committee may cause the Account, equal to the amount which was expunged from the records under this Section, to be restored and paid, under Article 6, if the Committee determines such action to be appropriate.

(1) Alternatively, the relevant, unpaid Account balances may be held by the Trust, or by the fiduciary with respect to Plan assets.

8.12 Right to Plan Benefits

(a) The rights or entitlement of any Participant or Beneficiary shall be no greater than those of an unsecured general creditor of the appropriate Employer, subject to the Trust Agreement (if established).

(b) No person has any right or interest in Plan assets except as expressly provided in the Plan.

8.13 Payment of Plan Expenses.

8.14 Plan expenses shall be paid as prescribed by Section 3.9.

Exclusive Benefit and Return of Employer Contributions

(a) The Committee's obligation to administer the Plan for the exclusive benefit of Participants and Beneficiaries will nevertheless permit the return of Employer Contributions to the Employer, in the following circumstances:

(1) if a Contribution or a portion of a Contribution is made with respect to this Plan by the Employer by a mistake of fact, mistake of law, or miscalculation, then that amount may be returned to the Employer, or

(2) if the Plan is terminated, and all vested Plan benefits are distributed.

(b) Contributions returned to the Employer will be adjusted to reflect the earnings and losses experienced since they were initially made, so that the precise amount returned to the Employer may be greater or lesser than the Contribution amount.

(1) Deemed Contributions will not result in any return of monies to the Employer.

8.15 Incompetency or Minority of Distributee

(a) In the event the Committee determines in its discretion that any Participant or Beneficiary, receiving or entitled to receive benefits under the Plan is incompetent to care for his affairs, and in the absence of the appointment of a legal guardian of the property of the incompetent, benefit payments due under the Plan (unless prior claim has been made by a duly qualified guardian, committee or other legal representative) may be made to the spouse, parent, brother or sister or other person, including a hospital or other institution, deemed by the Committee to have incurred or to be liable for expenses on behalf of such incompetent.

(b) In the absence of the appointment of a legal guardian of the property of a minor, any minor's share of benefits payable under the Plan may be paid to such adult or adults as in the discretionary opinion of the Committee have assumed the custody and principal support of such minor.

(c) The Committee, however, in its sole discretion, may require that a legal guardian for the property of any such incompetent or minor be appointed, before authorizing the payment of benefits in such situations.

(d) Neither the Trustee, the Committee, any other fiduciary, nor any Employer shall be required to verify or insure that any distributions made to any third parties under this Section are applied for the benefit of such minor or incompetent or incapacitated Beneficiary.

(e) If an immediate determination under this Section 8.15 cannot be made, then Section 8.16 shall apply.

8.16 If Proper Payee Cannot Be Immediately Determined

(a) If the Committee is in doubt as to either the right of any person to receive a Plan benefit, or the correct person to receive a payment, the Committee may direct the Trustee or other payor:

(1) to retain such amount until the rights to the payment are determined

(i) neither interest nor earnings will be credited with respect to the amount, during the period of retention by the Trustee or other payor

(2) to pay the amount into any court of appropriate jurisdiction and this payment to court shall be a complete discharge of the liability of the Plan and the Trust (if established) with respect to the underlying Plan benefit, and the payment to court, or

(3) to make payment only upon receipt of a bond or similar indemnification (in such amount and in such form as is satisfactory to the Committee).

8.17 Notice to the Committee

If any provision in the Plan describes an Employee or Beneficiary's election application, or notice to the Committee, then any such action shall only be effective if it is made by Proper Application. Any such written communication shall be deemed to have been made or given on the date received by the Committee or its delegate.

8.18 Conclusiveness of Records

In administering the Plan, the Committee may conclusively rely upon the Employer's payroll and personnel records maintained in the ordinary course of business.

8.19 Unfunded Plan

(a) The Plan is intended to constitute an unfunded, nonqualified deferred compensation, excess benefit pension plan for a select group of management or highly compensated employees, for the purposes of ERISA.

IN WITNESS WHEREOF, on behalf of Loral Space & Communications Inc., a Company officer or Committee member, authorized under this Plan, has executed this Plan, the Loral Savings Supplemental Executive Retirement Plan, informally known as the Loral Savings SERP, the Loral DC SERP, and the Loral 401(k) SERP, this 17th day of December 2008.

on behalf of Loral Space & Communications Inc.
By: /s/ Michael B. Targoff
Signature
Printed name: Michael B. Targoff
Title: Chief Executive Officer and President