
4. Group management

4.1 Group executive management members

Group management consists of the following:

André Kudelski

Chairman and Chief Executive Officer (CEO)

Pierre Roy

Executive Vice President

Chief Operating Officer (COO), Digital TV

Charles Egli

Executive Vice President

Chief Executive Officer (CEO), Nagra Public Access

Alan Guggenheim

Executive Vice President

Chief Executive Officer (CEO) of NagraStar
Until 15th March 2007

Adrienne Corboud Fumagalli

Executive Vice President

Business Development

Mauro Saladini

Executive Vice President

Chief Financial Officer (CFO) of the Group

Lucien Gani

General Counsel

Head of Group Legal Affairs

Nicolas Gœtschmann

Corporate Secretary

Director of Group Administration

John Burke

Senior Vice President

Head of Group Human Resources

André Kudelski (1960)

Chairman and Chief Executive Officer (CEO)

Swiss nationality

André Kudelski obtained a degree in physical engineering from the Ecole Polytechnique Fédérale de Lausanne (Federal Institute of Technology of Lausanne) in 1984. He then held the position of R&D Engineer at Kudelski SA and in the Silicon Valley, before becoming Pay TV Product Manager and then Director of Nagravision, the Pay TV division of Kudelski SA. In 1991, André Kudelski succeeded to his father Stefan Kudelski to the position of Chairman and Chief Executive Officer of Kudelski SA. He has been on Kudelski SA's Board of Directors since 1987.

André Kudelski is a member of the Board of the Edipresse Group, Nestlé, HSBC Private Banking Holdings SA (Switzerland) and Dassault Systèmes (France). He is also a member of the Swiss American Chamber of Commerce and of the Committee of *economiesuisse*.

André Kudelski chairs the Strategy Committee of the Kudelski SA Board of Directors.

He also holds positions on the Boards of several Kudelski Group companies: Nagravision (Chief Executive Officer), NagraCard (Chief Executive Officer) and Nagra Plus (Chairman and Chief Executive Officer).

André Kudelski is also a member of the Supervisory Board of SkiData.

Pierre Roy (1952)

Executive Vice President

Chief Operating Officer (COO), Digital TV

Swiss nationality

After obtaining a degree in business management from HEC, the business administration school of the University of Lausanne, in 1975, Pierre Roy began his professional career as a financial analyst with Procter & Gamble. Building on this initial experience, he joined IBM as a commercial engineer in 1977. In 1979, he began his international career with Digital Equipment Corporation, where he held various management positions both within the European center in Geneva as well as abroad in the finance & administration and marketing & business management departments.

In 1992 he joined Kudelski SA as Managing Director of Nagra Audio, Business Development Director Nagravision and Managing Director of Précel SA (then a company belonging to the Kudelski Group).



André Kudelski



Pierre Roy



Charles Egli



Alan Guggenheim



Adrienne Corboud Fumagalli



Mauro Saladini



Lucien Gani



John Burke



Nicolas Gøetschmann

Since 1999, he managed his own consultancy company and worked in the telecommunications sector while continuing to contribute to strategic projects for NagraVision. In 2003 he was appointed Chief Operating Officer for the Digital TV entity of the Kudelski Group and Executive Vice President.

Pierre Roy is a member of the Board of Ascom (Switzerland).

Charles Egli (1948)

Executive Vice President
Chief Executive Officer (CEO), Nagra Public Access
Swiss nationality

Charles Egli holds a degree in electronic engineering from the ETS technical college. He worked at Studer Revox in Zurich as an R&D engineer and then as a project manager until 1989, and then joined NagraVision as project manager. He was appointed Chief Operating Officer of Kudelski SA in 1992, then in 2003 President and Chief Executive Officer of Nagra Public Access and Executive Vice President of the Kudelski Group. Charles Egli has also been CEO of SkiData since September 2004.

Alan Guggenheim (1950)

Executive Vice President and Chief Executive Officer (CEO), NagraStar (until 15th March 2007)
French nationality – American nationality since 1991

Alan Guggenheim is an engineering graduate from the ESTP (France) and a graduate of the French Command and General Staff Reserve College. After serving as an engineer for Société Routière Colas in Paris and in the French West Indies from 1976 to 1978, he was appointed Executive Director of the Conseil Régional du Patronat de la Guadeloupe (local representative of the CNPF and the CGPME). Until 1981 he was a member of the Board of several organizations (Social Security, Retirement, Unemployment Compensation).

He then moved to California and founded San Joaquin Software Systems, then CIS, Inc., of which he has been Chairman and CEO since 1986, representing and developing the activities of the Dassault Group in the United States in the field of communication, banking and multimedia from 1993 to 1998, and those of NagraVision since 1996.

Alan Guggenheim was a Board member of SUCMANU in Paris between 1982 and 1986 and a founder and a member of the Board of the Pacific State Bank in Stockton, CA, from 1985 until 1987.

Since 2000, Alan Guggenheim has been Chief Executive Officer of NagraStar and Chairman of Nagra USA, Inc. He was appointed Executive Vice President of the Kudelski Group in 2003.

Adrienne Corboud Fumagalli (1958)

Executive Vice President
Business Development
Swiss nationality – Italian nationality since 1993

Adrienne Corboud Fumagalli holds a doctorate in economics and social sciences from the University of Fribourg. She was a researcher, lecturer and consultant in the field of media and information technology policies for various institutions for several years (University of Fribourg, DAMS Bologna, CNRS Paris and McGill University, Montreal).

Between 1997 and 2000, she held various positions with Swisscom in Berne, in particular as Business Development Manager and then Marketing Director.

She joined the Kudelski Group as Corporate Secretary in November 2000. In January 2004, she was appointed Executive Vice President in charge of Business Development.

Mauro Saladini (1966)

Executive Vice President
Chief Financial Officer of the Group (CFO)
Swiss nationality

Mauro Saladini holds a degree in electrical engineering from the ETHZ (Federal Institute of Technology of Zurich) as well as an MBA from INSEAD, Fontainebleau, France.

After five years as a financial services consultant for Accenture, he joined Thema Consulting. He set up the Zurich branch of this company and managed its activities in the cash flow and risk management sectors.

In 1997 he joined McKinsey & Co., where he became a partner in 2001. A major part of his work was focused on corporate finance and strategy projects involving various industries, in particular media and telecommunications. In addition, Mauro Saladini was in charge of the Swiss Media Practice and joint head of the European Media Practice.

He joined the Kudelski Group as Chief Financial Officer and Executive Vice President in 2003.

Mauro Saladini is Board member of Airesis in Clarens/Montreux in Switzerland.

Lucien Gani (1948)

General Counsel
Head of Group Legal Affairs
Swiss nationality

Lucien Gani studied at the University of Lausanne. After obtaining a degree in commercial studies in 1971 and a law degree in 1972, he obtained a PhD in Law in 1987 and was admitted to the Bar of Canton de Vaud in 1989.

He started his professional career in 1972 as a lawyer with the Federal Tax Administration in Berne; he then became Manager of the Administrative Services at "Compagnie Vaudoise d'Electricité" in Lausanne from 1974 to 1976. Between 1977 and 1983, he was a trader for "La Commerciale SA" in Lausanne. He worked on his doctorate thesis from 1984 and started his Bar practice training in 1987. He worked as independent lawyer and partner in a law firm in Lausanne since 1990.

Lucien Gani joined the Kudelski Group in January 2006 as General Counsel and Head of Legal Affairs. Before that date, he contributed as an independent lawyer for several years to the Kudelski Group's legal activity, particularly by drafting and negotiating strategic contracts.

Nicolas Goetschmann (1960)

Corporate Secretary
Director of Group Administration
Swiss nationality

Nicolas Goetschmann holds a graduate degree in economics from the University of Fribourg. Between 1986 and 1989 he held the position of Private Client Executive for Credit Suisse in Geneva, before becoming a Fund

Manager for Kestrel SA in Neuchâtel. In 1990, he joined the Kudelski Group as Director of Finance and Administration. At the beginning of 2004, he became Corporate Secretary to the Kudelski Group while still Director of the Group Administration.

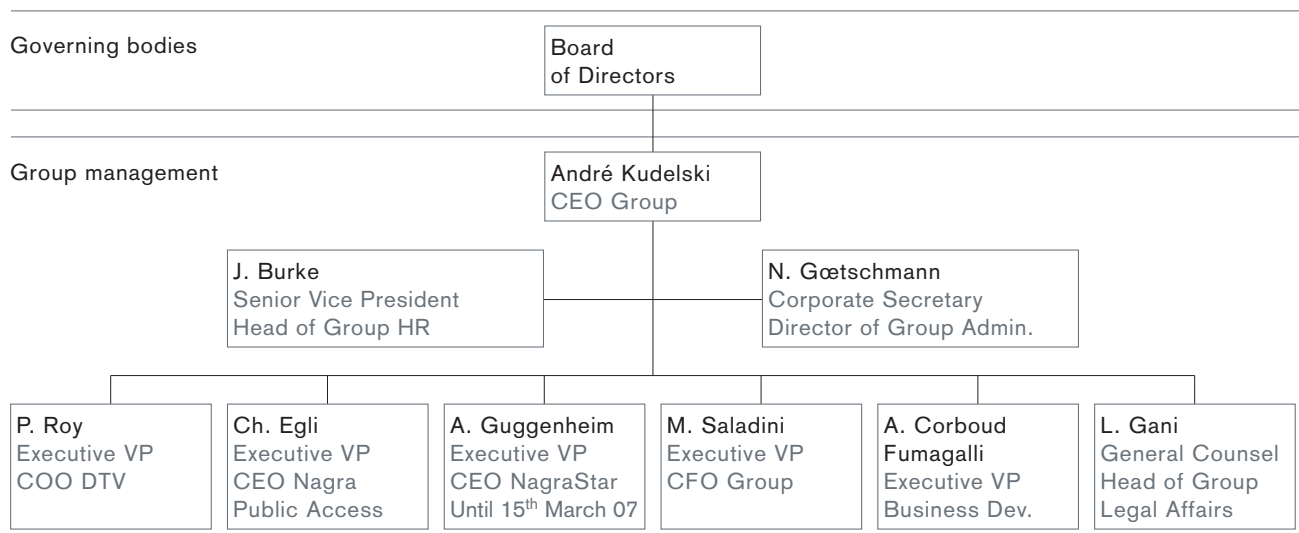
John Burke (1953)

Senior Vice President
Head of Group Human Resources since June 1, 2006
Irish nationality

John Burke graduated in economics and business administration from Trinity College Dublin in 1974.

He started his professional career in marketing with Procter & Gamble International in Geneva in 1977. He was appointed Group Marketing Manager in 1982 with successive assignments in Geneva, Athens, Cincinnati and Madrid. In 1986 he joined RotoVision SA as Commercial Director. He then joined IUCN – The World Conservation Union – as Director of Communications and Corporate Relations in 1991. In 1996 he joined Novartis Consumer Health, initially as global Head of Human Resources & Communications. He was then appointed Global Head of the Medical Nutrition business and member of the Division Executive Committee and subsequently promoted to worldwide Head of Novartis' Nutrition Business Unit. In 2001, he joined the Geneva-based International Federation of Red Cross & Red Crescent Societies as Director of Support Services and in 2004 was appointed Chief Administrative Officer of the Global Fund to Fight Aids, TB and Malaria.

John Burke joined the Kudelski Group in June 2006.



4.2 Other activities and vested interests

Please refer to the individual CVs of the members of the Group management under 4.1 above.

4.3 Management contracts

There were no management contracts in place at Kudelski SA on December 31, 2006.

5. Compensation, shareholdings and loans

5.1 Content and method of determining the compensation and shareholding programs

The Remuneration and Nomination Committee controls and approves the remuneration policy established by the company. It also has the responsibility of determining the remuneration of the members of the Board of Directors as well as the members of Group management.

In general, the remuneration policy of the Kudelski Group is based on the performance of the business units and of the persons individually.

Members of the Board of Directors

Overall remuneration of non-executive members of the Board of Directors includes fixed annual fees as well as an allowance for the costs and other expenses incurred in connection with the performance of their duties. This remuneration is given in cash. A variable element can also be allocated in options.

The specific services rendered by members of the Board of Directors of Kudelski SA or of one of the companies in the Group are remunerated on the basis of fees, with the amount of the fees corresponding to the market rate for the same type of services.

Members of Group management

The global annual remuneration of members of Group management includes a base salary and a variable element based on the individual's performance and achievement of financial, operational and qualitative objectives.

The variable element may be payable in cash or in Kudelski SA bearer shares.

Shares and/or stock options may be attributed by the Remuneration and Nomination Committee to members of Group management and/or to staff members in order to give them an interest in the long term objectives of the company.

Group management members can also participate in the share purchase plan implemented by the company in 2004.

5.2 Compensation for acting members of governing bodies

Total compensation granted directly or indirectly by Kudelski SA or by one of its affiliated companies during 2006 to members of the Board of Directors and/or members of the Group management amounted to CHF 10 637 642.

This sum breaks down as follows: CHF 10 187 476 for the executive member of the Board of Directors and for the members of the Group management and CHF 450 167 for the non-executive members of the Board of Directors.

These figures include the cash bonuses paid in relation to the financial year in question, even if they were paid at a later date.

No severance payments were made to persons leaving positions on the governing bodies during the financial year 2006.

5.3 Compensation for former members of governing bodies

A total of CHF 205 020 was paid to a former member of the Group management in 2006.

5.4 Share allotment in the year under review

During the financial year 2006, a total of 147 732 bearer shares of a nominal value of CHF 10 each were allotted to the executive member of the Board of Directors and to the members of the Group management. No shares were allotted to the non-executive members of the Board of Directors.

5.5 Share ownership

The number of Kudelski SA shares held on December 31, 2006 by the executive member of the Board of Directors