EchoStar CORP
Form DEF 14A
March 31, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.   )

Filed by the Registrant þ
Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

EchoStar Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)
Payment of Filing Fee (Check the appropriate box):

þ No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

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2) Aggregate number of securities to which transaction applies:

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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4) Proposed maximum aggregate value of transaction:

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5) Total fee paid:

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o Fee paid previously with preliminary materials.

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o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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March 31, 2009

Dear Shareholder:

It is a pleasure for me to extend to you an invitation to attend the 2009 Annual Meeting of Shareholders of EchoStar Corporation. The Annual Meeting will be held on May 11, 2009, at 1:00 p.m., local time, at 9601 S. Meridian Blvd., Englewood, Colorado 80112.

The enclosed Notice of 2009 Annual Meeting of Shareholders and Proxy Statement describe the proposals to be considered and voted on at the Annual Meeting. During the Annual Meeting, we also will review EchoStar s operations and other items of general interest regarding the corporation.

We hope that all shareholders will be able to attend the Annual Meeting. Whether or not you plan to attend the Annual Meeting personally, it is important that you be represented. To ensure that your vote will be received and counted, please vote electronically through the Internet, by mail or by telephone, by following the instructions included with your proxy card.

On behalf of the Board of Directors and senior management, I would like to express our appreciation for your support and interest in EchoStar. I look forward to seeing you at the Annual Meeting.

Charles W. Ergen
Chairman, President and Chief Executive Officer

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NOTICE OF 2009 ANNUAL MEETING OF SHAREHOLDERS

To the Shareholders of EchoStar Corporation:

The Annual Meeting of Shareholders of EchoStar Corporation will be held on May 11, 2009, at 1:00 p.m., local time, at 9601 S. Meridian Blvd., Englewood, Colorado 80112, to consider and vote upon:

1. The election of seven directors to our Board of Directors;

2. The ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2009;

3. The amendment and restatement of our Employee Stock Purchase Plan;

4. A proposal to approve amendments to existing equity plans to allow for stock award exchange programs; and

5. Any other business that may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

You may vote on these matters in person or by proxy. Whether or not you plan to attend the Annual Meeting, we ask that you vote by one of the following methods to ensure that your shares will be represented at the meeting in accordance with your wishes:

Vote by telephone, or electronically through the Internet, by following the instructions included with your proxy card; or

Vote by mail, by completing and returning the enclosed proxy card in the enclosed addressed stamped envelope.

Only shareholders of record at the close of business on March 16, 2009 are entitled to notice of, and to vote at, the Annual Meeting or any adjournment of the meeting. We anticipate first mailing our proxy statement and proxy card on or about March 31, 2009.

By Order of the Board of Directors

R. STANTON DODGE
Executive Vice President, General Counsel
and Secretary
March 31, 2009

100 Inverness Circle E.   Englewood, Colorado 80112   Tel: (303) 706-4000   Fax: (303) 723-199

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PROXY STATEMENT
OF
ECHOSTAR CORPORATION

GENERAL INFORMATION

This Proxy Statement and the accompanying proxy card are being furnished to you in connection with the 2009 Annual Meeting of Shareholders (the Annual Meeting) of EchoStar Corporation (EchoStar, we, us, our or the Corporation). The Annual Meeting will be held on May 11, 2009, at 1:00 p.m., local time, at 9601 S. Meridian Blvd., Englewood, Colorado 80112.

This Proxy Statement is being sent or provided on or about March 30, 2009, to holders of record at the close of business on March 16, 2009 of our Class A Common Stock (the Class A Shares) and Class B Common Stock (the Class B Shares).

Your proxy is being solicited by our Board of Directors (the Board or Board of Directors). It may be revoked by written notice given to our Secretary at our headquarters, at 100 Inverness Circle E., Englewood, Colorado 80112, at any time before being voted. You may also revoke your proxy by submitting a proxy with a later date or by voting in person at the Annual Meeting. To vote by mail, please complete the accompanying proxy card and return it to us as instructed in the proxy card. To vote using the telephone or electronically through the Internet, please refer to the instructions included with the proxy card. Votes submitted by mail, telephone or electronically through the Internet must be received by 11:59 p.m., Eastern Time, on May 10, 2009. Submitting your vote by mail, telephone or electronically through the Internet will not affect your right to vote in person, if you choose to do so. Proxies that are properly delivered to us before the closing of the polls during the Annual Meeting and not revoked will be voted for the proposals described in this Proxy Statement in accordance with the instructions set forth on the proxy card. The Board is currently not aware of any matters proposed to be presented at the Annual Meeting other than the election of directors, the ratification of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2009, the amendment and restatement of our Employee Stock Purchase Plan and the amendment of our existing equity plans to allow for stock award exchange programs. If any other matter is properly presented at the Annual Meeting, the persons named in the accompanying proxy card will have discretionary authority to vote on that matter in accordance with their best judgment. Your presence at the Annual Meeting does not of itself revoke your proxy.

Attendance at the Meeting

All of our shareholders of record at the close of business on March 16, 2009, or their duly appointed proxies, may attend the Annual Meeting. Seating is limited, however, and admission to the Annual Meeting will be on a first-come, first-served basis. Registration and seating will begin at 12:45 p.m., local time, and the Annual Meeting will begin at 1:00 p.m., local time. Each shareholder may be asked to present an admission ticket, which is attached to the accompanying proxy card, together with a valid government issued photo identification confirming their identity as a shareholder of record, such as a driver s license or passport. Cameras, recording devices, and other electronic devices will not be permitted at the Annual Meeting.

If your shares are held by a broker, bank, or other nominee (often referred to as holding in street name) and you desire to attend the Annual Meeting, you will need to bring a legal proxy or a copy of a brokerage or bank statement reflecting your share ownership as of the record date, March 16, 2009. All shareholders must check in at the registration desk at the Annual Meeting.

Securities Entitled to Vote

Only shareholders of record at the close of business on March 16, 2009 are entitled to notice of the Annual Meeting. Such shareholders may vote shares held by them at the close of business on March 16, 2009 at the Annual Meeting. At the close of business on March 16, 2009, 38,779,020 Class A Shares and 47,687,039 Class B Shares were outstanding. Each of the Class A Shares is entitled to one vote per share on each proposal to be considered by our shareholders. Each of the Class B Shares is entitled to ten votes per share on each proposal to be considered by our shareholders.

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Vote Required

In accordance with our Articles of Incorporation (our Articles of Incorporation), the presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the total voting power of all classes of our voting stock taken together shall constitute a quorum for the transaction of business at the Annual Meeting.

The affirmative vote of a plurality of the total votes cast for directors at the Annual Meeting is necessary to elect a director. No cumulative voting is permitted. The seven nominees receiving the highest number of votes cast for will be elected.

The affirmative vote of a majority of the voting power represented at the Annual Meeting is required to approve the ratification of the appointment of KPMG LLP as our independent registered public accounting firm, the amendment and restatement of our Employee Stock Purchase Plan and the proposal to approve amendments to our existing equity plans to allow for stock award exchange programs.

The total number of votes cast for will be counted for purposes of determining whether sufficient affirmative votes have been cast to approve the ratification of the appointment of KPMG LLP as our independent registered public accounting firm, to approve the amendment and restatement of our Employee Stock Purchase Plan and to approve amendments to our existing equity plans to allow for stock award exchange programs. Abstentions from voting on a proposal by a shareholder at the Annual Meeting, as well as broker nonvotes, will be considered for purposes of determining the number of total votes present at the Annual Meeting. Abstentions will have the same effect as votes against the ratification of the appointment of KPMG LLP as our independent registered public accounting firm, the proposal to approve the amendment and restatement of our Employee Stock Purchase Plan and the proposal to approve amendments to our existing equity plans to allow for stock award exchange programs. However, abstentions will not be counted as against or for the election of directors. Broker nonvotes will not be considered in determining the election of directors, the ratification of the appointment of KPMG LLP as our independent registered public accounting firm, the proposal to approve the amendment and restatement of our Employee Stock Purchase Plan, or approval of the amendment of our existing equity plans to allow for stock award exchange programs.

Through his direct or indirect ownership of Class A Shares and Class B Shares, Charles W. Ergen, our Chairman of the Board and Chief Executive Officer, possesses approximately 87% of our total voting power. Mr. Ergen has indicated his intention to vote: (1) for the election of each of the seven director nominees; (2) for the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2009; (3) for the amendment and restatement of our Employee Stock Purchase Plan; and (4) for the amendment of our existing equity plans to allow for stock award exchange programs. Accordingly, the election of each of the director nominees, the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2009, the amendment and restatement of our Employee Stock Purchase Plan and the approval of the amendment of our existing equity plans to allow for stock award exchange programs are assured notwithstanding a negative vote by any or all shareholders other than Mr. Ergen.

Householding

We have adopted a procedure approved by the Securities and Exchange Commission (SEC) called householding. Under this procedure, service providers that deliver our communications to shareholders may deliver a single copy of our Annual Report and Proxy Statement to multiple shareholders sharing the same address, unless one or more of these shareholders notifies us that they wish to continue receiving individual copies. Shareholders who participate in householding will continue to receive separate proxy cards. We expect that this householding procedure will reduce our printing costs and postage fees.

We will deliver promptly upon written or oral request a separate copy of our Annual Report or Proxy Statement, as applicable, to a shareholder at a shared address to which a single copy of the documents was delivered. Please notify our transfer agent at the address provided below to receive a separate copy of our Annual Report or Proxy Statement.

If you are eligible for householding, but you and other shareholders with whom you share an address currently receive multiple copies of our annual reports and/or proxy statements, or if you hold stock in more than one account, and in either case you wish to receive only a single copy of our Annual Report or Proxy Statement for your household, please contact

our transfer agent, Computershare Investor Services, at 250 Royall Street, Canton, Massachusetts 02021, telephone number 877-437-8901.

Our Mailing Address

Our mailing address is 100 Inverness Circle E., Englewood, Colorado 80112.

PROPOSAL NO. 1 ELECTION OF DIRECTORS

Nominees

Our shareholders will elect a Board of seven directors at the Annual Meeting. Each of the directors is expected to hold office until the next annual meeting of our shareholders or until his respective successor shall be duly elected and qualified. The affirmative vote of a plurality of the total votes cast for directors is necessary to elect a director. This means that the seven nominees who receive the most votes will be elected to the seven open directorships even if they get less than a majority of the votes cast. Each nominee has consented to his nomination and has advised us that he intends to serve the entire term if elected. If at the time of the meeting one or more of the nominees have become unable to serve: (i) shares represented by proxies will be voted for the remaining nominees and for any substitute nominee or nominees designated by the Nominating Committee; or (ii) the Board of Directors may, in accordance with the Bylaws, reduce the size of the Board of Directors or may leave a vacancy until a nominee is identified. The Nominating Committee knows of no reason why any of the nominees will be unable to serve.

The nominees for director are as follows:

Name	Age	First Became Director	Position with the Company
Joseph P. Clayton	59	2008	Director
R. Stanton Dodge	41	2009	Director, Executive Vice President, General Counsel and Secretary
Michael T. Dugan	60	2007	Director
Charles W. Ergen	56	2007	Chairman of the Board of Directors, President and Chief Executive Officer
David K. Moskowitz	50	2007	Director
Tom A. Ortolf	58	2007	Director
C. Michael Schroeder	60	2007	Director

The following sets forth the business experience of each of the nominees over the last five years:

Joseph P. Clayton. Mr. Clayton serves as a member of our Board of Directors, and is a member of our Executive Compensation Committee, Nominating Committee and Audit Committee. Mr. Clayton served as Chairman of Sirius Satellite Radio Inc. (Sirius) from November 2004 through July 2008 and served as Chief Executive Officer of Sirius from November 2001 through November 2004. Prior to joining Sirius, Mr. Clayton served as President of Global Crossing North America, as President and Chief Executive Officer of Frontier Corporation and as Executive Vice President, Marketing and Sales Americas and Asia, of Thomson S.A. Mr. Clayton is also currently serving on the Board of Directors and Nominating and Corporate Governance, Audit and Stock Option and Compensation Committees of Transcend Services, Inc. The Board has determined that Mr. Clayton meets the independence requirements of NASDAQ and SEC rules and regulations.

R. Stanton Dodge. Mr. Dodge serves as a member of our Board of Directors and is currently the Executive Vice President, General Counsel and Secretary of DISH Network Corporation (DISH Network) and EchoStar and is responsible for all legal and government affairs of DISH Network, EchoStar and their subsidiaries. Mr. Dodge serves as our Executive Vice President, General Counsel and Secretary pursuant to a management services agreement between DISH Network and EchoStar that was entered into in connection with the spin-off of EchoStar from DISH Network on January 1, 2008 (the Spin-off). Since joining DISH Network in November 1996, he has held various positions of increasing responsibility in DISH Network s legal department.

Michael T. Dugan. Mr. Dugan serves as a member of our Board of Directors and as a senior advisor to us. From May 2004 to December 2007, he was a Director of DISH Network, and served DISH Network alternately as Chief Technical

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Officer and senior advisor from time to time. Mr. Dugan also served as a Director of DISH Network from May 2002 until May 2003. From April 2000 to May 2004, he was President and Chief Operating Officer of DISH Network. Prior to that time, Mr. Dugan held various positions with DISH Network and its subsidiaries commencing in 1990. Mr. Dugan has served as a director of Citizens Communications Company since October 2006.

Charles W. Ergen. Mr. Ergen serves as our Chairman, President and Chief Executive Officer. Mr. Ergen is also the Chairman of the Board, President and Chief Executive Officer of DISH Network, a position that he has held since DISH Network s formation in 1980. During the past five years he has also held various executive officer and director positions with DISH Network s subsidiaries.

David K. Moskowitz. Mr. Moskowitz serves as a member of our Board of Directors. From March 1990 until July 1, 2007, Mr. Moskowitz was an Executive Vice President and the Secretary and General Counsel of DISH Network, where he is currently a senior advisor and serves as a member of its Board of Directors.

Tom A. Ortolf. Mr. Ortolf serves as a member of our Board of Directors, and is a member of our Executive Compensation Committee, Nominating Committee, and Audit Committee, where he serves as our audit committee financial expert. Since 2005, Mr. Ortolf has also served as a member of the Board of Directors of DISH Network and as a member of its Executive Compensation Committee, Nominating Committee and Audit Committee. Mr. Ortolf has been the President of CMC, a privately held investment management firm, for nearly twenty years. From 1988 until 1991, Mr. Ortolf served as DISH Network s President and Chief Operating Officer. The Board has determined that Mr. Ortolf meets the independence and audit committee financial expert requirements of NASDAQ and SEC rules and regulations.

C. Michael Schroeder. Mr. Schroeder serves as a member of our Board of Directors, and serves on our Executive Compensation Committee, Nominating Committee, and Audit Committee. In 1981, Mr. Schroeder founded Consumer Satellite Systems, Inc. (CSS), which he grew to encompass a 10 state distribution system operating in a region ranging from Wisconsin to Florida. CSS served retailers selling satellite systems, televisions and a range of consumer electronics products. Mr. Schroeder also founded a programming division of CSS that grew to serve over 400,000 subscribers. Prior to the Spin-off of EchoStar from DISH Network, Mr. Schroeder served on the Board of Directors of DISH Network and was a member of DISH Network s Executive Compensation Committee, Nominating Committee, and Audit Committee. The Board has determined that Mr. Schroeder meets the independence requirements of NASDAQ and SEC rules and regulations.

Charles W. Ergen, our Chairman and Chief Executive Officer, possesses approximately 87% of our total voting power. Mr. Ergen has indicated his intention to vote in favor of Proposal No. 1. Accordingly, approval of Proposal No. 1 is assured notwithstanding a negative vote by any or all shareholders other than Mr. Ergen.

The Board of Directors unanimously recommends a vote FOR the election of all of the nominees named herein (Item No. 1 on the enclosed proxy card).

Board of Directors and Committees and Selection Process

Our Board held ten meetings in 2008 and also took action by unanimous written consent on five occasions during 2008. Except for Mr. Carl E. Vogel (who resigned from the Board in March 2009), each of our directors attended at least 75% of the aggregate of: (i) the total number of meetings of the Board held during the period in which he was a director; and (ii) the total number of meetings held by all committees of the Board on which he served. In addition, our non-employee directors held three executive sessions in 2008.

Directors are elected annually and serve until their successors are duly elected and qualified or their earlier resignation or removal. Officers serve at the discretion of the Board.

We are a controlled company within the meaning of the NASDAQ Marketplace Rules because more than 50% of our voting power is held by Charles W. Ergen, our Chairman, President and Chief Executive Officer. Please see Equity Security Ownership below. Therefore, we are not subject to the NASDAQ listing requirements that would otherwise require us to have: (i) a Board of Directors comprised of a majority of independent directors; (ii) compensation of our executive officers determined by a majority of the independent directors or a Compensation Committee composed solely of independent directors; and (iii) director nominees selected, or recommended for the Board s selection, either by a majority

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of the independent directors or a nominating committee composed solely of independent directors. Nevertheless, the Corporation has created an Executive Compensation Committee (the Compensation Committee) and a Nominating Committee, in addition to an Audit Committee, all of which are composed entirely of independent directors. The charters of our Compensation, Audit and Nominating Committees are available free of charge on our website at http://www.echostar.com. The function and authority of these committees are described below:

Compensation Committee. The Compensation Committee operates under a Compensation Committee Charter adopted by the Board. The principal functions of the Compensation Committee are, to the extent the Board deems necessary or appropriate, to: (i) make and approve all option grants and other issuances of EchoStar s equity securities to EchoStar s executive officers and Board members other than nonemployee directors; (ii) approve all other option grants and issuances of EchoStar s equity securities, and recommend that the full Board make and approve such grants and issuances; (iii) establish in writing all performance goals for performance-based compensation that together with other compensation to senior executive officers could exceed $1 million annually, other than standard stock incentive plan options that may be paid to EchoStar s executive officers, and certify achievement of such goals prior to payment; and (iv) set the compensation of Mr. Ergen, who is our Chairman and Chief Executive Officer. The Compensation Committee held four meetings and took action by unanimous written consent on four occasions during 2008. The current members of the Compensation Committee are Mr. Ortolf, Mr. Schroeder and Mr. Clayton, with Mr. Ortolf serving as Chairman of the Compensation Committee. The Board has determined that each of these individuals meets the independence requirements of NASDAQ and SEC rules and regulations. Steven R. Goodbarn was also a member of the Compensation Committee during 2008 but resigned from EchoStar s Board and its committees on November 6, 2008. Mr. Goodbarn resigned to among other things, devote more time to his responsibilities as a director of DISH Network and to reduce the number of directors that serve on the boards of both DISH Network and EchoStar, The current composition of the Compensation Committee is expected to remain the same following our Annual Meeting.

Audit Committee. Our Board has established a standing Audit Committee in accordance with NASDAQ rules and Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The Audit Committee operates under an Audit Committee Charter adopted by the Board. The principal functions of the Audit Committee are to: (i) select the independent registered public accounting firm and set their compensation; (ii) select the internal auditor; (iii) review and approve management s plan for engaging our independent registered public accounting firm during the year to perform non-audit services and consider what effect these services will have on the independence of our independent registered public accounting firm; (iv) review our annual financial statements and other financial reports that require approval by the Board; (v) oversee the integrity of our financial statements, our systems of disclosure and internal controls, and our compliance with legal and regulatory requirements; (vi) review the scope of our independent registered public accounting firm s audit plans and the results of their audits; and (vii) evaluate the performance of our internal audit function and independent registered public accounting firm.

The Audit Committee held nine meetings and took no action by unanimous written consent during 2008. The current members of the Audit Committee are Mr. Ortolf, Mr. Schroeder and Mr. Clayton, with Mr. Schroeder serving as Chairman of the Audit Committee and Mr. Ortolf serving as our audit committee financial expert . The Board has determined that each of these individuals meets the independence requirements of NASDAQ and SEC rules and regulations. As discussed above, Mr. Goodbarn was also a member of the Audit Committee during 2008 but resigned on November 6, 2008. The Board has also determined that each member of our Audit Committee is financially literate and that Mr. Ortolf qualifies as an audit committee financial expert as defined by applicable SEC rules and regulations. The composition of the Audit Committee is expected to remain the same following our Annual Meeting, with Mr. Ortolf continuing as the audit committee financial expert.

Nominating Committee. The Nominating Committee operates under a Nominating Committee Charter adopted by the Board. The principal function of the Nominating Committee is to recommend independent director nominees for selection by the Board. The Nominating Committee held two meetings and took action by unanimous written consent on one occasion during 2008. The current members of the Nominating Committee are Mr. Ortolf, Mr. Schroeder and Mr. Clayton, with Mr. Schroeder serving as Chairman of the Committee. As discussed above, Mr. Goodbarn was also a member of the Nominating Committee during 2008 but resigned on November 6, 2008. The current composition of the Nominating Committee is expected to remain the same following our Annual Meeting.

The Nominating Committee will consider candidates suggested by its members, other directors, senior management and shareholders as appropriate. No search firms or other advisors were retained to identify nominees during the past fiscal year. The Nominating Committee has not adopted a written policy with respect to the consideration of candidates proposed by security holders or with respect to nominating anyone to our Board other than nonemployee directors. Director candidates, whether recommended by the Nominating Committee, other directors, senior management or shareholders are currently considered by the Nominating Committee and the Board, as applicable, in light of the entirety of their credentials, including but not limited to the following factors: (i) their reputation and character; (ii) their ability and willingness to devote sufficient time to Board duties; (iii) their educational background; (iv) their business and professional achievements, experience and industry background; (v) their independence from management under listing standards and the Corporation s governance guidelines; and (vi) the needs of the Board and the Corporation. A shareholder who wishes to recommend a prospective nominee for the Board should notify the Corporation s Secretary or any member of the Nominating Committee in writing with whatever supporting material the shareholder considers appropriate. The Nominating Committee will also consider whether to nominate any person nominated by a shareholder pursuant to the provisions of the Corporation s bylaws relating to shareholder nominations. Communications can be directed to the Corporation s Secretary or any member of the Nominating Committee in accordance with the process described in *Shareholder Communications* below.

Other Information About Our Board of Directors

Although we do not have a policy with regard to Board members attendance at our annual meetings of shareholders, all of our directors are encouraged to attend such meetings. We expect that all of our directors will attend our 2009 Annual Meeting.

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Equity Security Ownership

The following table sets forth, to the best of our knowledge, the beneficial ownership of our voting securities as of the close of business on March 16, 2009 by: (i) each person known by us to be the beneficial owner of more than five percent of any class of our voting securities; (ii) each of our directors; (iii) our Chief Executive Officer, President, Chief Financial Officer and three other most highly compensated persons acting as one of our executive officers for the fiscal year ended December 31, 2008, which were identified in part based upon the payments we made to DISH Network for our allocable portion of DISH Network s personnel costs for those persons acting as one of our executive officers pursuant to the Management Services Agreement (collectively, the Named Executive Officers or NEOs); and (iv) all of our directors and executive officers as a group. Unless otherwise indicated, each person listed in the following table (alone or with family members) has sole voting and dispositive power over the shares listed opposite such person s name.

Name (1)	Amount and Nature of Beneficial Ownership	Percentage of Class
Class A Common Stock:		
Charles W. Ergen (2), (3)	45,366,759	54.0%
Harris Associates L.P. (4)	5,085,260	13.1%
MSD Capital L.P. (5)	3,671,129	9.5%
David Einhorn (6)	3,137,130	8.1%
John A. Griffin (7)	3,065,000	7.9%
David K. Moskowitz (8)	2,023,259	5.2%
Mark W. Jackson (9)	130,543	*
Michael T. Dugan (10)	104,896	*
Dean A. Olmstead (11)	67,800	*
Steven B. Schaver (12)	44,216	*
Bernard L. Han (13)	27,999	*
Tom A. Ortolf (14)	26,740	*
C. Michael Schroeder (15)	17,520	*
R. Stanton Dodge (16)	14,064	*
Joseph P. Clayton (17)	7,000	*
All Directors and Executive Officers as a Group (12 persons) (18)	47,866,879	56.6%
Class B Common Stock:		
Charles W. Ergen	44,987,642	94.3%
Trusts (19)	2,699,397	5.7%
All Directors and Executive Officers as a Group (12 persons) (18)	47,687,039	100.0%

* Less than 1%.

(1) Except as otherwise noted below, the address of each such person is 100 Inverness Circle E., Englewood, Colorado 80112.

As of the close of business on March 16, 2009, there were 38,779,020 outstanding shares of Class A Common Stock and 47,687,039 shares of Class B Common Stock.

(2) Mr. Ergen is deemed to own beneficially all of the EchoStar Class A Shares owned by his spouse, Cantey Ergen. Mr. Ergen s beneficial ownership includes: (i) 89,730 EchoStar Class A Shares; (ii) 3,704 EchoStar Class A Shares held in the Company s 401(k) Employee Savings Plan (which we refer to as the 401(k) Plan); (iii) the right to acquire 280,000 EchoStar Class A Shares within 60 days upon the exercise of employee stock options; (iv) 47 EchoStar Class A Shares

held by Mr. Ergen s spouse; (v) 201 EchoStar Class A Shares held in the 401(k) Plan held by Mrs. Ergen; (vi) 5,435 EchoStar Class A Shares held as custodian for his children; and (vii) 44,987,642 EchoStar Class A Shares issuable upon conversion of Mr. Ergen s EchoStar Class B Shares. Mr. Ergen s beneficial ownership of EchoStar Class A Shares excludes (A) 1,850,367 Class A Shares issuable upon conversion of Class B Shares currently held by the following two grantor retained annuity trusts: (i) the Ergen Five-Year GRAT dated November 9, 2005; and (ii) the Ergen Four-Year GRAT dated November 9, 2005 (collectively, the Ergen GRATS) and (B) 849,030 Class A Shares issuable upon conversion of Class B Shares held by certain trusts established by Mr. Ergen for the benefit of his family.

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(3) Because each share of Class B Common Stock is entitled to 10 votes per share, Mr. Ergen owns beneficially equity securities of the Company representing approximately 87% of the voting power of the Company (assuming no conversion of the Class B Common Stock and after giving effect to the exercise of Mr. Ergen s options exercisable within 60 days).

(4) The address of Harris Associates L.P. (Harris) is Two North LaSalle Street, Suite 500, Chicago, IL 60602. Of the EchoStar Class A Shares beneficially owned, Harris has sole voting and dispositive power as to all 5,085,260 EchoStar Class A Shares Harris Associates Inc. is the General Partner of

Harris, and as such Harris Associates Inc. has voting and investment control with respect to EchoStar Class A Shares owned by Harris, and therefore beneficially owns such EchoStar Class A Shares. This information is based solely upon a Schedule 13G filed by Harris on February 12, 2009.

(5) The address of MSD Capital L.P. (MSD) is 645 Fifth Avenue, 21st Floor, New York, New York, 10022. Of the EchoStar Class A Shares beneficially owned, MSD has shared voting power as to all 3,671,129 EchoStar Class A Shares. MSD is the general partner of MSD Torchlight, L.P., the direct owner of the 3,671,129 EchoStar Class A Shares, and as such

MSD may be deemed to beneficially own the securities owned by MSD Torchlight, L.P. MSD Capital Management LLC is the general partner of MSD and as such may be deemed to beneficially own the securities owned by MSD. Michael S. Dell is the controlling member of MSD Capital Management LLC and as such may be deemed to beneficially own the securities owned by MSD Capital Management LLC. This information is based solely upon a Schedule 13G filed by MSD on February 17, 2009.

(6) The address of David Einhorn is 140 East 45th Street, 24th Floor, New York, New York, 10017. Of the EchoStar Class A Shares beneficially owned, Mr. Einhorn has

shared voting and dispositive power as to all 3,137,130 EchoStar Class A Shares. Mr. Einhorn is the principal of Greenlight Capital L.L.C. (Greenlight L.L.C.), Greenlight Capital, Inc. (Greenlight Inc.), DME Advisors, L.P. (Advisors), and DME Advisors GP, L.L.C. (DME GP), and as such Mr. Einhorn has voting and investment control with respect to the EchoStar Class A Shares owned by Greenlight L.L.C., Greenlight Inc., Advisors and DME GP, and therefore beneficially owns such EchoStar Class A Shares. This information is based solely upon a Schedule 13G filed by Mr. Einhorn on February 13, 2009.

(7)

The address of John A. Griffin is 660 Madison Avenue, 20th Floor, New York, New York 10065. Of the EchoStar Class A Shares beneficially owned, Mr. Griffin has shared voting and dispositive power as to all 3,065,000 EchoStar Class A Shares. Mr. Griffin is the Managing Member of Blue Ridge Capital Holdings L.L.C. and Blue Ridge Capital Offshore Holdings L.L.C. and in that capacity Mr. Griffin has shared voting and dispositive power over the EchoStar Class A Shares held by those entities. This information is based solely upon a Schedule 13G filed by Mr. Griffin on February 17, 2009.

(8) Mr. Moskowitz s beneficial ownership includes: (i) 25,448 EchoStar

Class A Shares; (ii) 3,543 EchoStar Class A Shares held in the 401(k) Plan; (iii) the right to acquire 136,000 EchoStar Class A Shares within 60 days upon the exercise of employee stock options; (iv) 265 EchoStar Class A Shares held as custodian for his minor children; (v) 1,636 EchoStar Class A Shares held as trustee for Mr. Ergen s children; (vi) 6,000 EchoStar Class A Shares held by a charitable foundation for which Mr. Moskowitz is a member of the Board of Directors; and (vii) 1,850,367 EchoStar Class A Shares issuable upon conversion of the EchoStar Class B Shares held by the Ergen GRATS described above, for which Mr. Moskowitz is the sole trustee.

(9) Mr. Jackson s beneficial ownership includes: (i) 83 EchoStar Class A Shares; (ii) 2,460 EchoStar Class A Shares held in the 401(k) Plan; and (iii) the right to acquire 128,000 EchoStar Class A Shares within 60 days upon the exercise of employee stock options.

(10) Mr. Dugan s beneficial ownership includes: (i) 86 EchoStar Class A Shares; (ii) 606 EchoStar Class A Shares held in the 401(k) Plan; and (iii) the right to acquire 104,204 EchoStar Class A Shares within 60 days upon the exercise of employee stock options.

(11) Mr. Olmstead s beneficial ownership includes the right to acquire 67,800 EchoStar Class A Shares

within 60 days upon the exercise of employee stock options.

(12) Mr. Schaver s beneficial ownership includes: (i) 482 EchoStar Class A Shares; (ii) 3,334 EchoStar Class A Shares held in the 401(k) Plan; and (iii) the right to acquire 40,400 EchoStar Class A Shares within 60 days upon the exercise of employee stock options.

(13) Mr. Han s beneficial ownership includes the right to acquire 27,999 EchoStar Class A Shares within 60 days upon the exercise of employee stock options.

(14) Mr. Ortolf s beneficial ownership includes: (i) the right to acquire 14,500 EchoStar Class A Shares within 60 days upon the exercise of nonemployee

director stock options; (ii) 40 EchoStar Class A Shares held in the name of one of his children; and (iii) 12,200 EchoStar Class A Shares held by a partnership of which Mr. Ortolf is a partner.

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(15) Mr. Schroeder s beneficial ownership includes: (i) 3,020 EchoStar Class A Shares; and (ii) the right to acquire 14,500 EchoStar Class A Shares within 60 days upon the exercise of nonemployee director stock options.

(16) Mr. Dodge s beneficial ownership includes: 36 EchoStar Class A Shares; (ii) 428 EchoStar Class A Shares held in the 401(k) Plan; and (iii) the right to acquire 13,600 EchoStar Class A Shares within 60 days upon the exercise of employee stock options.

(17) Mr. Clayton s beneficial ownership includes: (i) 2,000 EchoStar Class A Shares; and (ii) the right to acquire 5,000 EchoStar

Class A Shares within 60 days upon the exercise of nonemployee director stock options.

(18) Includes: (i) 122,918 EchoStar Class A Shares; (ii) 14,125 EchoStar Class A Shares held in the 401(k) Plan; (iii) the right to acquire 866,003 EchoStar Class A Shares within 60 days upon the exercise of employee stock options; (iv) 12,200 EchoStar Class A Shares held in a partnership; (v) 46,838,009 EchoStar Class A Shares issuable upon conversion of EchoStar Class B Shares; (vi) 7,376 EchoStar Class A Shares held in the name of, or in trust for, children and other family members; (vii) 6,000 EchoStar Class A Shares held by a charitable

foundation for which Mr. Moskowitz is a member of its board of directors; and (viii) 248 EchoStar Class A Shares held by a spouse.

(19) Held by certain trusts established by Mr. Ergen for the benefit of Mr. Ergen s family of which Mr. Moskowitz is trustee.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 (the Exchange Act) requires our directors, officers and holders of more than 10% of our common stock to file reports with the SEC regarding their ownership and changes in ownership of our equity securities. We believe that during 2008, our directors, officers and 10% shareholders complied with all Section 16(a) filing requirements. In making these statements, we have relied upon examination of copies of Forms 3, 4 and 5 provided to us and the written representations of our directors and officers.

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis (CD&A) addresses our compensation objectives and policies for our named executive officers (the NEOs), the elements of NEO compensation and the application of those objectives and policies to each element of fiscal year 2008 compensation for our NEOs. Unless otherwise indicated, NEOs in this Proxy Statement refers to our NEOs who did not perform services for us pursuant to the Management Services Agreement between DISH Network and us in connection with the Spin-off of EchoStar from DISH Network. The CD&A also contains information regarding performance targets and goals for our executive compensation program. These targets and goals were disclosed to provide information on how executive compensation was determined in 2008 but are not intended to be estimates of future results or other forward-looking guidance. We caution investors against using these targets and goals outside of the context of their use in our executive compensation program as described herein.

In certain instances, the CD&A refers to the compensation policy applied by our former parent company, DISH Network, to our NEOs with respect to fiscal year 2007. Notwithstanding the inclusion of compensation information for our NEOs in this proxy statement based on the compensation that these NEOs received from DISH Network in 2007, except for amounts due under the Management Services Agreement between us and DISH Network or due Mr. Ergen as discussed below, the compensation paid by one company in 2008 had no impact on the compensation decisions of the other company in 2008. In addition, the historical compensation of our NEOs in their roles as DISH Network employees is not necessarily indicative of the compensation that we will pay these NEOs in their capacity as our employees.

Our NEOs include Messrs. Charles W. Ergen, Bernard L. Han, Dean A. Olmstead, Mark W. Jackson and Steven B. Schaver. Of these NEOs, Mr. Ergen and Mr. Han were NEOs of DISH Network in 2008. Messrs. Jackson, Olmstead and Schaver were employed and solely compensated by EchoStar during 2008. Mr. Ergen was employed and compensated by both EchoStar and DISH Network in 2008. In respect of our remaining NEO, pursuant to the Management Services Agreement, Mr. Han was employed by, and received compensation from, DISH Network, and was not directly compensated by us. Under the Management Services Agreement between us and DISH Network, we made payments to DISH Network based upon a portion of DISH Network s personnel costs for Mr. Han (taking into account salary and fringe benefits) as determined by reference to the percentages of time spent by Mr. Han performing services for us. During 2008, incentive compensation for Mr. Han was solely the responsibility of DISH Network. See Certain Relationships and Related Transactions Intercompany Agreements with DISH Network Corporation Management Services Agreement. Other than as described elsewhere with respect to Mr. Ergen and in relation to the payments to be made by us to DISH Network in respect of Mr. Han pursuant to the Management Services Agreement, none of our NEOs received

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direct compensation from both us and DISH Network during 2008. None of our NEOs has entered into an employment agreement with us.

Overall Compensation Program Objectives and Policies

Compensation Philosophy

EchoStar s executive compensation program was guided by the following key principles in 2008:

- Attraction, retention and motivation of executive officers over the long-term;
- Recognition of individual performance;
- Recognition of the achievement of company-wide performance goals; and
- Creation of shareholder value by aligning the interest of management with that of EchoStar s shareholders through equity incentives.

General Compensation Levels

The total direct compensation opportunities, both base salaries and long-term incentives, offered to EchoStar s NEOs have been designed to ensure that they are competitive with market practice, support EchoStar s executive recruitment and retention objectives, reward individual and company-wide performance and contribute to EchoStar s long-term success by aligning the interest of its executive officers and shareholders.

The Compensation Committee of EchoStar, without Mr. Ergen present, determined Mr. Ergen s compensation in 2008. Mr. Ergen recommended to the Board of Directors, but the Board of Directors ultimately approved, the base compensation of EchoStar s NEOs other than Mr. Ergen. EchoStar s Compensation Committee makes and approves grants of options and other equity-based compensation to EchoStar s NEOs, and establishes in writing performance goals for any performance-based compensation that together with other compensation to any EchoStar NEO could exceed $1 million annually. The Compensation Committee also certifies achievement of those performance goals prior to payment of performance-based compensation.

In determining the actual amount of each NEO s overall compensation, the Compensation Committee of EchoStar reviews materials discussed in the peer group analysis described below, its subjective performance evaluation of the individual s performance (after reviewing Mr. Ergen s recommendations with respect to the NEOs other than himself), the individual s success in achieving EchoStar s and individual goals, whether the performance goals of any short term incentive plans were met and the payouts that would become payable upon achievement of those performance goals, equity awards previously granted to the individual, and equity awards that would be normally granted upon a promotion in accordance with EchoStar s policies for promotions. EchoStar s Compensation Committee and Board have also considered each of EchoStar s NEOs (other than Mr. Ergen) individual extraordinary efforts resulting in tangible increases in corporate, division or department success when setting base cash salaries and any short term incentive compensation.

Furthermore, the Compensation Committee of EchoStar also makes a subjective determination as to whether an increase should be made to Mr. Ergen s compensation based on its evaluation of Mr. Ergen s contribution to the success of EchoStar, whether the performance goals of any short term incentive plans were met, the payouts that would become payable to Mr. Ergen upon achievement of those performance goals, the options and other stock awards currently held by Mr. Ergen and whether such awards are sufficient to retain Mr. Ergen.

This approach to general compensation levels is not formulaic and the weight given to any particular factor in determining a particular NEO s compensation depends on the subjective consideration of all factors described above in the aggregate.

With respect to incentive compensation, EchoStar attempts to ensure that each NEO has equity awards at any given time that are significant in relation to such individual s annual cash compensation to ensure that each of the NEOs has appropriate incentives tied to the performance of EchoStar s Class A Common Stock. Therefore, EchoStar may grant more options to one particular NEO in a given year if a substantial portion of the NEO s equity incentives are vested and the underlying stock capable of being sold. In addition, if an NEO recently received a substantial amount of equity incentives, EchoStar may not grant any equity incentives to that particular NEO.

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Peer Group Analysis

In connection with the approval process for EchoStar s executive officer compensation, EchoStar s Board of Directors and Compensation Committee had management prepare a table listing the compensation components for the NEOs of companies selected by the Compensation Committee, as disclosed in their respective publicly-filed proxy statements. These surveyed companies included: Pace Micro Technology, Plc., Intelsat Corporation, Loral Space and Communications, Inc., Telesat Canada, Eutelsat Communications, SES S.A., Motorola Inc., and Cisco Systems, Inc. This table, along with other information obtained by Compensation Committee members from media reports, such as newspaper or magazine articles or other generally available sources related to executive compensation, and from corporate director events attended by Compensation Committee members, is used solely as a subjective frame of reference to set approximate boundaries for compensation, rather than a basis for benchmarking compensation of EchoStar s NEOs. EchoStar s Compensation Committee and Board of Directors do not utilize a formulaic or standard, formalized benchmarking level or element in tying or otherwise setting EchoStar s executive compensation to that of other companies. Generally, EchoStar s overall compensation lags behind competitors in the area of base pay, severance packages, and short-term incentives and may be competitive over time in equity compensation. If EchoStar s stock performance substantially outperforms similar companies, executive compensation at EchoStar could exceed other companies. Barring significant increases in the stock price, EchoStar s compensation levels generally lag its peers.

Deductibility of Compensation

Section 162(m) of the U.S. Internal Revenue Code (the Code) places a limit on the tax deductibility of compensation in excess of $1 million paid to certain covered employees of a publicly held corporation (generally, the corporation s chief executive officer and its next four most highly compensated executive officers in the year that the compensation is paid). This limitation applies only to compensation which is not considered performance-based under the Section 162(m) rules. The Compensation Committee conducts an ongoing review of EchoStar s compensation practices for purposes of obtaining the maximum continued deductibility of compensation paid consistent with EchoStar s existing commitments and ongoing competitive needs. However, nondeductible compensation in excess of this limitation may be paid.

Implementation of Executive Compensation Program Objectives and Policies

Weighting and Selection of Elements of Compensation

As described in General Compensation Levels above, neither EchoStar s Board of Directors nor its Compensation Committee has in the past assigned specific weights to any factors considered by EchoStar s Board of Directors and its Compensation Committee in determining compensation, and none of the factors are more dispositive than others.

Elements of Executive Compensation

The primary components of EchoStar s executive compensation program have included:

- base cash salary;
- long-term equity incentive compensation in the form of stock options and restricted stock units offered under EchoStar s stock incentive plan;
- 401(k) plan; and
- other compensation, including perquisites and personal benefits and post-termination compensation.

EchoStar s executive compensation program may also include short-term incentive compensation, including conditional and/or performance-based cash incentive compensation and discretionary bonuses. These elements combine to promote the objectives and policies described above. Base salary, 401(k) benefits and other benefits and perquisites provided generally to EchoStar employees provide a minimum level of compensation for our NEOs. Short-term incentives reward individual performance and achievement of annual goals important to EchoStar. Long-term equity-incentive compensation aligns NEO compensation directly with the creation of long-term shareholder value and promotes retention.

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EchoStar has not required that a certain percentage of an executive s salary be provided in one form versus another. However, the goal of the Compensation Committee is to award compensation that is reasonable in relation to EchoStar s compensation program and objectives when all elements of potential compensation are considered. Each element of EchoStar s historical executive compensation and the rationale for each element is described below.

Base Cash Salary

EchoStar has traditionally included salary in its executive compensation package under the belief that it is appropriate that some portion of the compensation paid to its executives be provided in a form that is fixed and liquid occurring over regular intervals. Generally, for the reasons discussed in Equity Incentive Compensation, EchoStar has weighted overall compensation towards equity components as opposed to base salaries. EchoStar s Compensation Committee and Board of Directors have traditionally been free to set base salary at any level deemed appropriate and typically review base salaries once annually. Any increases or decreases in base salary on a year-over-year basis have usually been dependent on a combination of the following factors:

- EchoStar s Compensation Committee s and Board of Directors respective assessment of EchoStar s overall financial and business performance;
- the performance of the NEO s business unit;
- the NEO s individual contributions to EchoStar; and
- the rate of EchoStar s standard annual merit increase for employees who are performing at a satisfactory level.

Annual base salaries paid to EchoStar s executive officers have historically been at levels below those generally paid to executive officers with comparable experience and responsibilities in the set top box and satellite services industries or other similarly-sized companies. In addition, EchoStar has stated that it believes the compensation paid to Mr. Ergen has generally been at a level that is below amounts paid to chief executive officers at other companies of similar size in comparable industries. Any changes in Mr. Ergen s base salary are set by EchoStar s Compensation Committee. Mr. Ergen recommends to the Board of Directors, but EchoStar s Board of Directors ultimately approves, any changes in the base salary of EchoStar s other NEOs.

Short-Term Incentive Compensation

For 2008, our Compensation Committee and Board did not establish a short-term incentive plan or a cash incentive plan. If our Compensation Committee chooses to establish a short-term incentive plan or a cash incentive plan, it will make a determination as to both the performance goals and the payouts that will be made upon achievement of those performance goals. In the future, the Board and Compensation Committee may elect to award short-term incentive compensation that reflect appropriate performance goals for our business.

Long-Term Equity Incentive Compensation

EchoStar has operated under the belief that executive officers will be better able to contribute to its long-term success and help build incremental shareholder value if they have a stake in that future success and value. EchoStar believes this stake focuses the executive officers attention on managing EchoStar as owners with equity positions in EchoStar and aligns their interests with the long-term interests of EchoStar s shareholders. Equity awards therefore have represented an important and significant component of EchoStar s compensation program for executive officers. EchoStar has attempted to create general incentives with its standard stock option grants and conditional incentives through conditional awards that may include payouts in cash or equity.

General Equity Incentives

With respect to equity incentive compensation, EchoStar attempts to ensure that each NEO has equity awards at any given time that are significant in relation to such individual s annual cash compensation to ensure that each of EchoStar s NEOs has appropriate incentives tied to the performance of EchoStar s Class A Common Stock. Therefore, EchoStar may grant more options to one particular NEO in a given year if a substantial portion of the NEO s equity incentives are vested and the underlying stock is capable of being sold. In addition, if an NEO recently received a substantial amount of equity incentives, EchoStar may not grant any equity incentives to that particular NEO. In particular, in granting awards for 2008,

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the Compensation Committee took into account the fact that EchoStar did not establish a short-term incentive plan or a cash incentive plan during 2008.

In granting equity incentive compensation, the Compensation Committee also takes into account whether the NEO has been promoted in determining whether to award equity awards to that individual. Finally, from time to time, the Compensation Committee may award one-time equity awards based on a number of subjective criteria, including the NEO s position and role in EchoStar s success and whether the NEO made any exceptional contributions to EchoStar s success.

To encourage executive officers to remain in EchoStar s employ, options granted under EchoStar s stock incentive plans generally vest at the rate of 20% per year and have exercise prices not less than the fair market value of EchoStar s Class A Common Stock on the date of grant. EchoStar s standard form of option agreement given to executive officers has included acceleration of vesting upon a change in control of EchoStar for those executive officers who do not continue to be employed by us or the surviving entity, as applicable, for any reason other than for cause during the twenty-four month period following such change in control.

Practices Regarding Grant of Equity Incentives

EchoStar has generally awarded equity awards as of the last day of each calendar quarter and has set exercise prices, as applicable, of not less than the fair market value of EchoStar s Class A Common Stock on the date of grant.

Stock Incentive Plan

We have adopted an employee stock incentive plan, which we refer to as the 2008 Stock Incentive Plan. The purpose of the 2008 Stock Incentive Plan is to provide incentives to attract and retain executive officers and other key employees. Awards available to be granted under the 2008 Stock Incentive Plan include: (i) stock options; (ii) stock appreciation rights; (iii) restricted stock and restricted stock units; (iv) performance awards; (v) dividend equivalents; and (vi) other stock-based awards. Up to 16 million shares of our Class A common stock are available for awards under the 2008 Stock Incentive Plan.

Class B CEO Stock Option Plan

We have adopted a Class B CEO stock option plan, which we refer to as the 2008 Class B CEO Stock Option Plan. The purpose of the 2008 Class B CEO Stock Option Plan is to promote the interests of EchoStar and its subsidiaries by aiding in the retention of Charles W. Ergen, the Chairman and Chief Executive Officer of EchoStar, who our Board of Directors believes is crucial to assuring our future success, to offer Mr. Ergen incentives to put forth maximum efforts for our future success and to afford Mr. Ergen an opportunity to acquire additional proprietary interests in EchoStar. Mr. Ergen abstained from our Board of Directors vote on this matter. Awards available to be granted under the 2008 Class B CEO Stock Option Plan will include nonqualified stock options and dividend equivalent rights with respect to EchoStar s Class B Common Stock. Up to 4 million shares of EchoStar s Class B common stock are available for awards under the 2008 Class B CEO Stock Option Plan. No awards have been granted under the 2008 Class B CEO Stock Option Plan.

Employee Stock Purchase Plan

We have adopted an employee stock purchase plan, which we refer to as our ESPP. The purpose of the ESPP is to provide our eligible employees with an opportunity to acquire a proprietary interest in us by the purchase of our Class A common stock. All full-time employees who are employed by EchoStar for at least one calendar quarter will be eligible to participate in the ESPP. Employee stock purchases will be made through payroll deductions. Under the terms of the ESPP, employees will not be permitted to deduct an amount which would permit such employee to purchase our capital stock under all of our stock purchase plans which would exceed $25,000 in fair market value of capital stock in any one year. The ESPP is intended to qualify under Section 423 of the Internal Revenue Code and thereby provide participating employees with an opportunity to receive certain favorable income tax consequences as to stock purchase rights under the ESPP.

Our Board of Directors adopted an amendment and restatement of our ESPP, subject to approval by our shareholders at our 2009 Annual Meeting. See Proposal No. 3 Amendment and Restatement Employee Stock Purchase Plan for details.

Nonemployee Director Stock Option Plan

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We have adopted a non-employee director stock option plan, which we refer to as the 2008 nonemployee director stock option plan (2008 Director Plan). The purpose of the 2008 Director Plan is to advance our interests through the motivation, attraction and retention of highly-qualified non-employee directors. The 2008 Director Plan grants our new non-employee directors, upon their initial election or appointment to our Board, an option to acquire a certain number of shares of our A Common Stock. We may also grant, in our discretion, any continuing non-employee directors further options to acquire our shares of Class A Common Stock in exchange for their continuing services. Up to 250,000 shares of our Class A Common Stock are available for awards under the 2008 Director Plan.

401(k) Plan

EchoStar has adopted a defined-contribution tax-qualified 401(k) plan for its employees, including its executives, to encourage its employees to save some percentage of their cash compensation for their eventual retirement. EchoStar s executives participate in the 401(k) plan on the same terms as EchoStar s other employees. Under the plan, employees become eligible for participation in the 401(k) plan upon completing ninety days of service with EchoStar and reaching age 19. 401(k) plan participants have been able to contribute up to 50% of their compensation in each contribution period, subject to the maximum deductible limit provided by the Internal Revenue Code. EchoStar may also make a 50% matching employer contribution up to a maximum of $1,500 per participant per calendar year. In addition, EchoStar may also make an annual discretionary profit sharing or employer stock contribution to the 401(k) plan with the approval of its Compensation Committee and Board of Directors. 401(k) plan participants are immediately vested in their voluntary contributions and earnings on voluntary contributions. EchoStar s employer contributions to 401(k) plan participants accounts vest 20% per year commencing one year from the employee s date of employment.

Perquisites and Personal Benefits, Post-Termination Compensation and Other Compensation

EchoStar has traditionally offered numerous plans and other benefits to its executive officers on the same terms as other employees. These plans and benefits have included medical, vision, and dental insurance, life insurance, and the employee stock purchase plan as well as discounts on EchoStar s products and services. Relocation benefits may also be reimbursed, but are individually negotiated when they occur. EchoStar has also permitted certain NEOs to use its corporate aircraft for personal use. EchoStar has also paid for annual tax preparation costs for certain NEOs.

EchoStar has not traditionally had any plans in place to provide severance benefits to employees. However, certain stock options and restricted stock units have been granted to its executive officers subject to acceleration of vesting upon a change in control of EchoStar for those executive officers who do not continue to be employed by us or the surviving entity, as applicable, for any reason other than for cause during the twenty-four month period following such change in control.

2008 Executive Compensation

EchoStar generally makes decisions with respect to executive compensation for a particular compensation year in December of the preceding compensation year or the first quarter of the applicable compensation year. For 2008, the Compensation Committee (along with Mr. Ergen for each of the NEOs other than himself) reviewed total compensation of each NEO and the value of (a) historic and current components of each NEO s compensation, including the base salary and bonus paid to the NEO in the prior year, and (b) stock options and restricted stock units held by each NEO in EchoStar s incentive plans. EchoStar s Compensation Committee (along with Mr. Ergen for each of the NEOs other than himself) also reviewed the results of the peer group analysis described above that was prepared for 2008. As described in General Incentive Compensation above, EchoStar aims to provide base salaries and long-term incentives that are competitive with market practice with an emphasis on providing a substantial portion of overall compensation in the form of equity incentives. In addition, EchoStar s Compensation Committee has discretion to award performance based compensation that is based on performance goals different from those which were previously set or that is higher or lower than the anticipated compensation that would be awarded under EchoStar s incentive plans if particular performance goals were met. EchoStar s Compensation Committee did not exercise this discretion in 2008.

Compensation of Chief Executive Officer

2008 Base Salary. In connection with our separation from DISH Network, Mr. Ergen s base salary for 2008 was set at $1.

2008 Cash Bonus. Since we had not adopted a cash bonus plan in 2008, no bonus was paid to Mr. Ergen.

2008 Equity Incentives. With respect to equity incentives, EchoStar attempts to ensure that Mr. Ergen has equity awards at any given time that are significant in relation to Mr. Ergen s annual cash compensation to ensure that Mr. Ergen has appropriate incentives tied to the performance of EchoStar s Class A Common Stock. As a result of the Spin-off, Mr. Ergen is an employee of both DISH Network and EchoStar. For 2008, the Compensation Committee determined that the equity incentive compensation Mr. Ergen received from EchoStar should equal the equity incentive compensation Mr. Ergen received from DISH Network so that Mr. Ergen would have an equal incentive to raise the long-term stock price and therefore create greater shareholder value at both companies. Consequently, the Compensation Committee determined that Mr. Ergen should be granted 500,000 options to purchase the Corporation s Class A Common Stock, particularly since Mr. Ergen had not received any equity awards following our separation from DISH Network. DISH Network also awarded Mr. Ergen 500,000 stock options to purchase its stock.

Compensation of Other Named Executive Officers

2008 Base Salary.

Base salaries for each of the other NEOs are determined annually by EchoStar s Board of Directors primarily based on Mr. Ergen s recommendations. The Board of Directors places substantial weight on Mr. Ergen s recommendations in light of his role as CEO and as controlling shareholder of EchoStar. Mr. Ergen made recommendations to the Board of Directors with respect to the 2008 base salary of each of the other NEOs after considering (a) the NEO s base salary in 2007, (b) the range of the percentage increases in base salary for NEOs of the surveyed companies in the 2008 peer group survey, (c) whether the NEO s base salary was appropriate in light of EchoStar s goals, including retention of the NEO, (d) the expected compensation to be paid to other NEOs in 2008 in relation to a particular NEO in 2008, (e) whether the NEO was promoted or newly hired in 2008, and (f) whether in Mr. Ergen s subjective determination, the NEO s performance in 2007 warranted an increase in the NEO s base salary. Placing primary weight on (a) the NEO s base salary in 2007 and (b) whether, in Mr. Ergen s subjective view, an increase in 2007 base salary was necessary to retain the NEO, Mr. Ergen recommended the base salary amounts indicated in the Fiscal 2008 Summary Compensation Table. The basis for Mr. Ergen s recommendation with respect to each of the other NEOs is discussed below. The Board of Directors accepted each of Mr. Ergen s recommendations on base salaries for each of the other NEOs.

Mr. Jackson. Mr. Ergen determined that Mr. Jackson s performance met expectations for 2007 and that Mr. Jackson was therefore eligible for our standard annual merit increase. In addition, Mr. Ergen determined that Mr. Jackson should receive an additional annual increase in base salary based on Mr. Ergen s subjective determination of the amount required to maintain Mr. Jackson s salary within the range of market compensation indicated in the peer group analysis in light of our practices with respect to base salaries. Mr. Ergen also considered Mr. Jackson s particular individual contributions towards development of the Company s set-top box business in setting Mr. Jackson s 2008 base salary.

Mr. Han. Mr. Han was employed by, and received compensation from, DISH Network, and was not directly compensated by us. Instead, we obtained the services of Mr. Han pursuant to the Management Services Agreement between us and DISH Network. Accordingly, Mr. Han s salary was set by the Board of Directors of DISH Network and we made payments to DISH Network based upon a portion of DISH Network s personnel costs for Mr. Han (taking into account salary and fringe benefits) as determined by reference to the percentages of time spent by Mr. Han performing services for us.

Mr. Schaver. Mr. Ergen determined that Mr. Schaver s performance met expectations for 2007 and that Mr. Schaver was therefore eligible for EchoStar s standard annual merit increase. In determining Mr. Schaver s 2008 base salary, Mr. Ergen subjectively determined that Mr. Schaver s existing base compensation already was within the range of market compensation indicated in the peer group analysis in light of EchoStar s practices with respect to base salaries.

Mr. Olmstead. Mr. Olmstead s salary was agreed to between EchoStar and Mr. Olmstead in January 2008 in connection with the commencement of Mr. Olmstead s employment as President of EchoStar Satellite Services.

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2008 Cash Bonus. Mr. Ergen generally recommended that other NEOs receive a discretionary cash bonus only to the extent that Mr. Ergen considered that a particular individual performance during 2008 made a significant contribution towards development of EchoStar s goals. In 2008, no cash bonus was paid to any of the NEOs.

2008 Equity Incentives. With respect to equity incentives, EchoStar primarily evaluates the position of each NEO to ensure that each individual has equity awards at any given time that are significant in relation to the NEO s annual cash compensation to ensure that the NEO has appropriate incentives tied to the performance of EchoStar s Class A Common Stock. This determination is made by the Compensation Committee primarily on the basis of Mr. Ergen s recommendation. On March 31, 2008: (i) Mr. Jackson was awarded 200,000 stock options; (ii) Mr. Olmstead was awarded 339,000 stock options in connection with the commencement of his employment; and (iii) Mr. Schaver was awarded 100,000 stock options. Mr. Ergen recommended that no equity incentives be awarded to Mr. Han in light of the fact that he is performing services for us pursuant to the Management Services Agreement with DISH Network.

EXECUTIVE COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation Committee is appointed by the Board of Directors of EchoStar to discharge certain of the Board s responsibilities relating to compensation of EchoStar s executive officers.

The Compensation Committee, to the extent the Board deems necessary or appropriate, will:

- Make and approve all option grants and other issuances of EchoStar s equity securities to EchoStar s executive officers and Board members other than nonemployee directors;

- Approve all other option grants and issuances of EchoStar s equity securities, and recommend that the full Board make and approve such grants and issuances;

- Establish in writing all performance goals for performance-based compensation that together with other compensation to senior executive officers could exceed $1 million annually, other than standard Stock Incentive Plan options that may be paid to EchoStar s executive officers, and certify achievement of such goals prior to payment; and

- Set the compensation of the Chairman and Chief Executive Officer.

Based on the review of the Compensation Discussion and Analysis and discussions with management, we recommended to EchoStar s management that the Compensation Discussion and Analysis be included in the Corporation s proxy statement. The Compensation Committee notes that the information with respect to DISH Network is based solely on information supplied by DISH Network to EchoStar.

Respectfully submitted,

The EchoStar Corporation Executive Compensation Committee

Tom A. Ortolf (Chairman)

C. Michael Schroeder

Joseph P. Clayton

The report of the Compensation Committee and the information contained therein shall not be deemed to be solicited material or filed or incorporated by reference in any filing we make under the Securities Act or under the Exchange Act, irrespective of any general statement incorporating by reference this Proxy Statement into any such filing, or subject to the liabilities of Section 18 of the Exchange Act, except to the extent that we specifically incorporate this information by reference into a document we file under the Securities Act or the Exchange Act.

EXECUTIVE COMPENSATION AND OTHER INFORMATION

Explanatory Note to Summary Compensation Table, Grant of Plan-Based Awards Table, Outstanding Equity Awards at Fiscal Year-End Table, and Option Exercises and Stock Vested Table

Spin-Off from DISH Network Corporation

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In connection with our Spin-off from DISH Network Corporation, which was effective on January 1, 2008, all outstanding DISH Network stock options and restricted stock units (collectively, Stock-Based Awards) held by DISH Network employees, including executive officers, were adjusted as follows:

Options

Each DISH Network stock option was converted into two options:

- an adjusted DISH Network stock option for the same number of shares as were exercisable under the original DISH Network stock option with an exercise price equal to the exercise price of the original DISH Network stock option multiplied by 0.831219.

- a new EchoStar stock option for one-fifth of the number of shares as were exercisable under the original DISH Network stock option with an exercise price equal to the exercise price of the original DISH Network stock option multiplied by 0.843907.

Restricted Stock Units

Each holder of DISH Network restricted stock units retained their DISH Network restricted stock units and rece